

from the calendar year to the fiscal year ending June 30 each year; to the Committee on Mines and Mining.

Also, a bill (H. R. 15687) granting certain public lands to the city of Phoenix, Ariz., for municipal purposes; to the Committee on the Public Lands.

By Mr. HAUGEN: A bill (H. R. 15688) to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of grain for future delivery, and for other purposes; to the Committee on Agriculture.

By Mr. PORTER: Concurrent resolution (H. Con. Res. 71) to designate a day on which our people may be urged to contribute to the need of the suffering populations of the world stricken by war, famine, and pestilence; to the Committee on Foreign Affairs.

By Mr. SIEGEL: Joint resolution (H. J. Res. 446) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ASWELL: Resolution (H. Res. 641) to print 2,500 copies of the Soil Survey of Winn Parish, La.; to the Committee on Printing.

By Mr. CAMPBELL of Kansas: Resolution (H. Res. 642) providing for the immediate consideration of H. R. 14315; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANTRILL: A bill (H. R. 15689) granting a pension to Mabel Nolan, daughter of John Nolan; to the Committee on Invalid Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 15690) for the relief of Eva Brannock Groomes; to the Committee on Claims.

By Mr. DAVEY: A bill (H. R. 15691) granting a pension to Leonora E. Wright; to the Committee on Pensions.

By Mr. DENISON: A bill (H. R. 15692) for the relief of Thomas L. Harris; to the Committee on Military Affairs.

Also, a bill (H. R. 15693) granting a pension to Martha Tucker; to the Committee on Invalid Pensions.

By Mr. DICKINSON of Missouri: A bill (H. R. 15694) for the relief of the heirs of William J. Crabtree, deceased; to the Committee on War Claims.

By Mr. EDMONDS: A bill (H. R. 15695) for the relief of the Treasurer of the United States for lost bonds without fault or negligence on the part of said Treasurer; to the Committee on Claims.

By Mr. ELLIOTT: A bill (H. R. 15696) granting a pension to Tabitha Lewis; to the Committee on Invalid Pensions.

By Mr. FESS: A bill (H. R. 15697) granting a pension to Fannie Hart Baber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15698) granting a pension to Julia Little; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 15699) granting an increase of pension to Smith Richards; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 15700) granting an increase of pension to Annie T. Barclay; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 15701) granting an increase of pension to John F. Prater; to the Committee on Pensions.

By Mr. MERRITT: A bill (H. R. 15702) for the relief of Charles A. Frid; to the Committee on Military Affairs.

By Mr. MOORES of Indiana: A bill (H. R. 15703) granting an increase of pension to Sarah C. Rawlins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15704) granting a pension to Margaret Sweet; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 15705) granting a pension to Clara R. Pearson; to the Committee on Invalid Pensions.

By Mr. RICKETTS: A bill (H. R. 15706) granting a pension to George E. Wycuff; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 15707) granting an increase of pension to Abbey Smith; to the Committee on Pensions.

Also, a bill (H. R. 15708) granting an increase of pension to Susan Hall; to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H. R. 15709) granting a pension to Hyman Mendelson; to the Committee on Pensions.

By Mr. STEPHENS of Ohio: A bill (H. R. 15710) granting an increase of pension to Ellen S. Mussey; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 15711) granting a pension to Robert B. Wilson; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4926. By the SPEAKER (by request): Petition of the American Association for Recognition of the Republic of Ireland, Milesian Council, Staten Island, N. Y., protesting against the outrages being perpetrated by British troops in Ireland; to the Committee on Foreign Affairs.

4927. Also, petition of Julius A. Coleman, favoring the anti-strike law; to the Committee on the Judiciary.

4928. By Mr. CULLEN: Petition of the American Association of Highway Officials, Washington, D. C., favoring the McArthur bill, known as H. R. 14905; to the Committee on Roads.

4929. Also, petition of New York County Organization of the American Legion, protesting against the Sunday blue laws; to the Committee on Interstate and Foreign Commerce.

4930. By Mr. CURRY of California: Petition of sundry citizens of the third district of California, protesting against the Fess-Capper bill, H. R. 12652 and S. 3905; to the Committee on Education.

4931. By Mr. GALLIVAN: Petition of Sturtevant Co., of Hyde Park, Mass., urging appropriation of \$96,000,000 to the Shipping Board for the completion of nearly finished passenger and cargo vessels now being built; to the Committee on Appropriations.

4932. By Mr. GRIEST: Petition of sundry citizens of Lancaster, Pa., favoring the Sunday blue laws for the District of Columbia; to the Committee on Interstate and Foreign Commerce.

4933. Also, petition of sundry citizens of Lancaster, Pa., urging enactment of a uniform law relating to marriage and divorce; to the Committee on Interstate and Foreign Commerce.

4934. By Mr. KELLEY of Michigan: Resolution of representatives of 18,000 wool growers in the State of Michigan, in favor of French-Capper truth in fabric bill; to the Committee on Interstate and Foreign Commerce.

4935. By Mr. O'CONNELL: Petition of the Ace Social Club, of Brooklyn, N. Y., favoring a \$240 bonus for the Government employees for the incoming fiscal year; to the Committee on Appropriations.

4936. By Mr. SINCLAIR: Petition of the Study Club of Fargo, N. Dak., protesting against House bill 12466, permitting the use of the waters of our national parks by private interests; to the Committee on the Public Lands.

4937. Also, petition of the North Dakota Chapter, American Association of Engineers, in favor of continued Federal aid for State highway work; to the Committee on Roads.

4938. Also, petition of the Study Club of Fargo, N. Dak., favoring passage of Sheppard-Towner maternity bill; to the Committee on Interstate and Foreign Commerce.

4939. By Mr. TINKHAM: Petition of the Colored Republican Club, of Springfield, Mass., favoring resolution 591; to the Committee on the Census.

4940. Also, petition of Hyde Park Lodge, No. 345, International Association of Machinists, Massachusetts, favoring a resumption of trade and travel privileges with soviet Russia; to the Committee on Foreign Affairs.

4941. Also, petition of New England Association of School Superintendents, Boston, Mass., favoring the Smith-Towner bill; to the Committee on Education.

4942. Also, petition of the International Association of Machinists, Boston Lodge, No. 264, favoring a resumption of trade and traveling privileges with soviet Russia; to the Committee on Foreign Affairs.

#### SENATE.

THURSDAY, January 13, 1921.

Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee that Thou hast made us for Thyself, and that we can not rest except we rest in Thee. Grant to us, therefore, the peace of God that passeth all understanding in our hearts and minds, so that through the turmoil and needs and agitation of these days we may seek poise in Thyself. Through Christ, our Lord. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, January 10, 1921, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

## SENATOR FROM IDAHO.

The VICE PRESIDENT. The Chair lays before the Senate the certificate of the appointment by Gov. D. W. Davis, of Idaho, of FRANK R. GOODING as a Senator from that State to fill the vacancy caused by the resignation of JOHN F. NUGENT. The certificate will be read.

The certificate was read and ordered to lie on the table, as follows:

STATE OF IDAHO,  
OFFICE OF THE GOVERNOR,  
Boise, January 8, 1921.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Idaho, I, D. W. Davis, the governor of said State, do hereby appoint FRANK R. GOODING a Senator from said State, to represent said State in the Senate of the United States until the vacancy therein caused by the resignation of JOHN F. NUGENT is filled by election, as provided by law. Witness his excellency our governor and our seal hereto affixed at Boise this 8th day of January, in the year of our Lord 1921.

[SEAL.]  
By the governor:  
Attest:

D. W. DAVIS.  
ROBERT O. JONES,  
Secretary of State.

## SENATOR FROM CALIFORNIA.

The VICE PRESIDENT laid before the Senate a certificate of the governor of California certifying to the election of SAMUEL M. SHORTBRIDGE as a Senator from that State for the term of six years, beginning March 4, 1921, which was read and ordered to be filed, as follows:

STATE OF CALIFORNIA,  
Executive Department.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 2d day of November, 1920, SAMUEL M. SHORTBRIDGE was duly chosen by the qualified electors of the State of California a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1921.

In witness whereof I have hereunto set my hand and caused the great seal of the State of California to be hereto affixed at the State capitol in the city of Sacramento this 6th day of December, the year of our Lord 1920.

[SEAL.]  
By the governor:

WM. D. STEPHENS,  
Governor of the State of California.  
FRANK C. JORDAN,  
Secretary of State.

## FINAL ASCERTAINMENT OF ELECTORS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of State, transmitting, pursuant to law, certificates of the governors of Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, of the final ascertainment of electors for President and Vice President in their respective States at the election November 2, 1920, which were ordered to lie on the table.

## GRAIN TRADE.

The VICE PRESIDENT laid before the Senate two communications from the chairman of the Federal Trade Commission, transmitting, pursuant to law, reports on "Terminal grain markets and exchanges" and "Future trading operations in grain," being volumes 2 and 5, respectively, of its report on the grain trade, which were referred to the Committee on Agriculture and Forestry.

## HORSES FOR MILITARY SERVICE.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, a report of the expenditures under the appropriation for the encouragement of breeding riding horses suitable for military service, which was referred to the Committee on Military Affairs.

## PETITIONS AND MEMORIALS.

Mr. CAPPER presented a resolution adopted by the Chamber of Commerce of Kansas City, Mo., favoring the passage of the truth-in-fabric bill, which was referred to the Committee on Interstate Commerce.

Mr. WARREN presented a telegram in the nature of a petition from Donald Garbutt Post, No. 7, of Sheridan, Wyo., praying for the enactment of legislation to establish a bureau of veteran reestablishment in the Interior Department, which was referred to the Committee on Finance.

He also presented a telegram in the nature of a petition from the Wyoming Wool Growers' Association, embodying resolutions passed by the Wyoming Legislature favoring the emergency tariff bill, which was referred to the Committee on Finance, as follows:

CHEYENNE, WYO., January 12, 1921.

F. E. WARREN,  
United States Senate, Washington, D. C.

The following joint memorial was passed unanimously to-day by both houses of the Wyoming Legislature:

Be it resolved by the House of Representatives of the State of Wyoming (the Senate concurring), That the Congress of the United States be memorialized as follows:

Whereas the producers of live stock, wool, and farm products are to-day facing almost certain financial ruin owing to the demoralization of the markets for their products coupled with the unprecedented high cost of production of these products; and Whereas this condition has been brought about largely by the dumping upon our markets of cheaply produced foreign products; and Whereas this influx of foreign products has been greatly accentuated by the rates of foreign exchange which in effect have placed a bonus upon such importations; and Whereas the continued production of live stock, wool, and farm products is seriously threatened by these conditions that an emergency exists that is without parallel in the history of this country: Therefore, be it

Resolved, That the Congress of the United States be most earnestly urged to enact without delay the so-called Fordney emergency tariff bill now pending; be it further

Resolved, That the Congress of the United States be urged to provide that in the collection of customs duties the Customs Service shall be directed to compute such duties upon the basis of the normal rates of exchange; be it further

Resolved, That a certified copy of this joint memorial be sent to each of the Members of the congressional delegation of this State in Congress, to the chairman of the committees in Congress to which these measures have been referred, and the President of the United States, with the urgent request that they employ their best efforts to secure the immediate enactment of these measures into law.

## WYOMING WOOL GROWERS' ASSOCIATION.

Mr. HARRIS presented petitions of the Georgia State Automobile Association, of Atlanta; the Laurens County (Georgia) commissioners; the Burke County Chamber of Commerce, of Waynesboro; and the Savannah Board of Trade, of Savannah, all in the State of Georgia, praying for the enactment of legislation to continue distribution of Federal aid to rural post roads in the respective States through the Bureau of Public Roads, which were referred to the Committee on Post Offices and Post Roads.

## FIRE IN COMMERCE DEPARTMENT BUILDING.

Mr. JONES of Washington. Mr. President, I have a letter in the nature of a petition from which I wish to read a paragraph. It relates to the matter called up the other day with reference to a fire in one of the Government buildings, destroying some Government records. It is from a Government employee whom I know. He says:

You doubtless saw in the morning papers of the fire in the Census Bureau. I am informed by a party employed there that it was fired by a party going through the carpenter shop, where there were some shavings, and threw down a stub of a cigarette, and that the estimated damage is \$50,000; but it will cost three times that to replace the damage done.

Yesterday in the Land Office as I was going to take the elevator to descend a young man in passing flipped a cigarette stub into a truck basket that had a few scraps of paper and set them on fire. I, seeing it, put it out.

Since I last saw you I have made further inquiry as to the damage done within the last 15 months. It will require more than \$600,000 to replace the damages the Government has sustained by smoking in the several departments in the District of Columbia. It has cost not less than \$250,000 in loss of time taken by the employees alone, not saying anything of the very great discomfort it has been to the other employees who do not smoke.

I understand that an investigation is being made, and I wish to call the letter to the attention of the Senators who are making the investigation.

Mr. SMOOT. I will say to the Senator from Washington that I have an investigation on foot at the present time with a view of trying to learn just what caused the fire in the Commerce Department Building. I hope to have the report in a very few days.

I will also state that I expect by to-morrow, if possible, if I can get the time this evening to prepare it, to introduce a bill to prohibit smoking in any of the departments of the Government during working hours. I am quite sure from the investigation which has been made casually, as I said the other day, that the last four fires in the departments of our Government have been caused by the dropping of lighted stubs of cigarettes.

## REPORTS OF COMMITTEE.

Mr. CURTIS, from the Committee on Indian Affairs, to which was referred the bill (H. R. 517) amending an act to provide for drainage of Indian allotments of the Five Civilized Tribes, approved March 27, 1914 (38 Stats., 310, Public No. 77), reported it favorably without amendment, and submitted a report (No. 682) thereon.

He also, from the same committee, to which was referred the bill (S. 808) conferring jurisdiction on the Court of Claims to hear, determine, and render judgment in the Osage civilization-fund claim of the Osage Nation of Indians against the United States, submitted an adverse report thereon, which was agreed to, and the bill was postponed indefinitely.



## FOREST EXPERIMENT STATION IN COLORADO.

Mr. PHIPPS. I introduced on December 16 the bill (S. 4676) to maintain the forest experiment station in the State of Colorado, and it was referred to the Committee on Appropriations. I ask that that committee may be discharged from the further consideration of the bill and that it be referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, it is so ordered.

## BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 4831) validating certain applications for and entries of public lands, and for other purposes;

A bill (S. 4832) to amend an act authorizing the purchase of certain public lands of the United States; and

A bill (S. 4833) providing for the reservation of certain lands in Utah for two bands of Paiute Indians; to the Committee on Public Lands.

By Mr. WALSH of Montana:

A bill (S. 4834) for the consolidation of forest lands within the Gallatin National Forest, and for other purposes (with accompanying papers); to the Committee on Public Lands.

By Mr. BRANDEGEE:

A bill (S. 4835) granting a pension to Jennie C. Gorton (with accompanying papers); to the Committee on Pensions.

By Mr. SPENCER:

A bill (S. 4836) for the relief of C. W. Struckmeyer; to the Committee on Claims.

A bill (S. 4837) granting a pension to Andrew Kurtz; and

A bill (S. 4838) granting an increase of pension to George Nash (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 4839) to amend sections 4402, 4404, and 4414 of the Revised Statutes of the United States, to classify and provide salaries for officers and clerks of the Steamboat-Inspection Service; to the Committee on Commerce.

By Mr. BECKHAM:

A bill (S. 4840) to amend section 1274, Revised Statutes of the United States, relating to the retirement of officers of the Army, and to promotion before retirement of officers whose promotions were withheld solely on account of physical disability; to the Committee on Military Affairs.

By Mr. TOWNSEND:

A bill (S. 4841) to amend paragraph (g) of section 204 and paragraph (g) of section 209 of the transportation act, 1920; to the Committee on Interstate Commerce.

By Mr. UNDERWOOD:

A bill (S. 4842) for the relief of John M. Green; to the Committee on Military Affairs; and

A bill (S. 4843) to amend section 300 of an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September 2, 1914, as amended; to the Committee on Finance.

By Mr. LA FOLLETTE:

A joint resolution (S. J. Res. 246) relative to deferring sanction of the United States Government to any binding agreement concerning foreign loans to Great Britain; to the Committee on Finance and ordered to be printed in the Record, as follows:

Whereas the British Government has designated Sir MacKenzie Dalzell Chalmers as special commissioner to meet with officials of the Government of the United States and discuss the question of the deferred interest payments on the loan which the United States made to Great Britain; and

Whereas the interest on this loan amounts to \$470,000,000 per year; and

Whereas no payments of interest have been made by the British Government since April 19, 1919; and

Whereas administrative officers have assumed authority to grant an extension of time for all interest payments until 1922; and

Whereas it is currently reported that the present administration will prior to March 4, 1921, assume authority to further defer the liquidation of this accumulating obligation and extend the interest payments over a long period of years; and

Whereas the estimated gross deficiency in the general fund on June 30, 1921, will be \$2,005,037,119.67, which does not include the amount of \$650,000,000 to be paid to the railways: Now, therefore, be it

Resolved, etc., That the Secretary of the Treasury and the Secretary of State be, and they are hereby, requested to take no action which shall bind the Government of the United States to any agreement concerning said indebtedness and the interest payments thereon until the same shall have been submitted to the Congress of the United States for its approval.

## AMENDMENTS TO SUNDRY CIVIL APPROPRIATION BILL.

Mr. ROBINSON submitted an amendment proposing to increase the limit of cost for the completion of the Government free bathhouses at Hot Springs Reservation, Ark., to \$275,000; to appropriate \$60,000 for labor, material, supervision, etc., for said bathhouses, and in addition thereto to authorize the ex-

penditure of \$25,000 from the revenues of Hot Springs Reservation for the same purpose, intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. CULBERSON submitted an amendment proposing to appropriate \$35,000 for a water-storage tank with steel tower, etc., and small laboratory building, etc., at Galveston (Tex.) quarantine station, intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. HARRIS submitted an amendment proposing to appropriate \$500,000 for cooperative work with the States for the use of their respective boards or departments of health in the prevention, control, and treatment of venereal diseases, etc., intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

## PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had this day approved and signed the joint resolution (S. J. Res. 237) to enable the Secretary of the Senate and the Clerk of the House of Representatives to pay the necessary expenses of the inaugural ceremonies of the President of the United States on March 4, 1921.

## RELIEF OF DISTRESS ABROAD.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, ordered to lie on the table and to be printed in the Record, as follows:

To the Senate:

I transmit herewith a preliminary report by the Acting Secretary of State, in response to the Senate's resolution of January 3, 1921, requesting the Secretary of State to obtain "accurate information as to the actual conditions and the needs and necessities of the women and children of the various distressed nations, countries, and dependencies," and to ascertain, if possible, what the various Governments in which such suffering exists are doing looking toward its alleviation.

WOODROW WILSON.

THE WHITE HOUSE,

Washington, January 13, 1921.

The PRESIDENT:

The undersigned, the Acting Secretary of State, to whom was communicated the resolution adopted by the Senate on January 3, 1921, requesting the Secretary of State "to obtain at once through the consular or other official representatives of the United States in foreign lands accurate information as to the actual conditions and the needs and necessities of the women and children of various distressed nations, countries, or foreign dependencies, and transmit the same to the Senate at the earliest possible moment," and, further, "to ascertain, if possible, and report to the Senate what the various Governments in which such suffering exists are doing looking toward the alleviation of such distressful conditions," has the honor to report that immediately upon the receipt of the resolution instructions were sent by cable to the appropriate officers of the United States in Europe calling upon them to furnish by mail, promptly and as fully and accurately as possible, the information sought by the resolution, and to send short telegraphic summaries. These reports and summaries will be furnished to the President for transmission to the Senate as they arrive.

In the meantime, the undersigned has the honor to lay before the President, with the view to their transmission to the Senate if his judgment approve thereof, paraphrases of telegrams containing information pertinent to the resolution which certain of the missions forwarded on reading of the Senate resolution in the foreign press.

Respectfully submitted.

NORMAN H. DAVIS.

Inclosures: From the American minister at Warsaw, telegram, January 7, 1921. From the American commissioner at Berlin, telegram, January 7, 1921. From American commissioner at Vienna, telegram, January 8, 1921. From the American representative at Riga, telegram, undated.

DEPARTMENT OF STATE,

Washington, January 11, 1921.

[Telegram from American commissioner, Berlin, dated Jan. 7, 1921, received Jan. 8, 12.40 p. m.]

JANUARY 7, 3 P. M.

SECRETARY OF STATE;

Washington:

I understand that the Senate has adopted a resolution requesting the State Department to furnish it a statement as to

the truth of representations being made by the American relief administration regarding the needs of the children of Europe. By personal observation and by thoroughly reliable reports I am convinced that a large proportion of the children in all the large cities in Germany are seriously underfed and that a continuation of this relief work is essential to save the life and preserve the health of an entire generation. This applies not only to the children of the very poor and of the working classes but also the children of employees and officials on fixed salaries, and I know of one cabinet minister who is constantly worried over his inability to obtain a sufficient supply of milk for his own children. From motives of common decency I am constrained to give presents of flour and milk to the children of employees of the commission even though they are receiving more than normal wages. No other charity is so well known in Germany nor has such a deep feeling of gratitude to America. To discontinue this relief would undoubtedly cause widespread discouragement and greatly increase social unrest. To see his children underfed and suffering would turn the most self-respecting and patient workman to communism.

DRESEL.

[Telegram from American minister, Warsaw, dated Jan. 7, 1921, received Jan. 9, noon.]

I am informed that the Senate has adopted a resolution asking the department for information as to the need for relief work among the children of eastern Europe. In the ordinary course I should await an inquiry from the department before offering my opinion on this subject, but the matter is of such vital importance that I venture to submit my impression without delay. I have carefully followed the relief work in Poland for the past two years and wish to assure the department that the continuation of the relief work for children on the present scale is absolutely necessary to avoid widespread starvation. I am the first to believe that not one dollar of American money should be expended for relief in countries able to take care of their own and that every appeal should be closely scrutinized from this point of view. Proof should not only be given of the necessity of relief work but there should also be conclusive evidence to show that the Government and the people are doing their utmost to remedy the situation. So far as Poland is concerned the Government and the people are straining every resource to meet this responsibility in spite of the difficulties of exchange which is now at the rate of over 700 marks to the dollar, thus making purchases abroad almost impossible. They are unable to provide even the minimum for the maintenance of the children. American aid has been generous, but it is to be noted that we do not maintain the Polish children but merely seek to supply the necessary supplement between what the Polish themselves can provide and the minimum necessary for the preservation of life and health. Aside from the humanitarian question which is involved, it is plain that the work contributes greatly to the maintenance of public order and toward the reestablishment of normal life among the people who have withstood the insidious appeal of subversive doctrines through more than six years of suffering and privation. It must also be remembered that the maintenance of peace, orderly government, and commerce in the future is greatly dependent upon the mental and physical soundness of the coming generation.

GIBSON.

[Telegram from American commissioner, Vienna. Vienna via Paris, dated Jan. 8, 1921. Received 9th, 3.13 p. m.]

SECRETARY OF STATE,  
Washington, D. C., January 8, 6 p. m.:

Upon the request of the Vienna representative of the American Relief Administration, I am giving the department my views on the value of the work which is being done by his organization. It is feeding daily in Austria approximately 300,000 children. If on account of lack of funds this work should cease in midwinter, the result would be great suffering and its stabilizing influence, which is greatly needed at this time, would disappear. There is danger that the people may lose their incentive to labor if the work of this organization is carried on too long, but until the State can obtain raw material and coal which will enable it to start its factories it is well that this organization can provide food for the children of the working class. The crown is at present worth about one-seventh of a cent as against a prewar value of 20 cents, and this condition makes it impossible for Austria to purchase from abroad anything more than the barest necessities. Under these circumstances I feel very strongly that for the present this humanitarian work should be continued, but that it should be clearly impressed upon the beneficiaries that such help is

merely a temporary expedient, and it is expected that the need for relief will diminish as the industries revive.

FRAZIER.

[Telegram from American representative at Riga.]

The American Relief Administration is planning to reestablish its child-feeding work in Finland, Lithuania, Esthonia, and Latvia. The need for this work is very great and it should assist materially in stabilizing internal conditions.

YOUNG.

ADDRESS BY SENATOR PHIPPS.

Mr. TOWNSEND. I ask unanimous consent to have printed in the RECORD an address by the Senator from Colorado [Mr. PHIPPS] before the Keystone Automobile Club, of Philadelphia, on the 7th instant, with reference to good roads.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

GOOD ROADS.

Address delivered before the Keystone Automobile Club at the Academy of Music, Philadelphia, on the evening of January 7, 1921, by Hon. LAWRENCE C. PHIPPS, United States Senator from the State of Colorado.

"Mr. Chairman, ladies, and gentlemen, having been born and raised in Pennsylvania, making my home here for many years, I shall always have the highest regard for the old Keystone State. Although during my residence I was a citizen of Pittsburgh, I have the most kindly feeling for the good people of the City of Brotherly Love, among whom I still retain many personal friends. Therefore in addressing you this evening I come not as an entire stranger but rather as an acquaintance returning after a long absence.

"Your committee has accorded me the privilege of expressing some of my views on the important topic of good roads, and I deeply appreciate this honor.

"The subject of road building is one which has been given serious study by every progressive people on earth since the earliest days of history. Perhaps the most outstanding example of nations which built permanent roadways is that of Rome, and it is possible to-day, or at least was possible as late as the year 1912, to drive an automobile over the original roadbed of the old Appian Way constructed by those wonderful people during the early years of the Christian era.

"While it has not been my privilege to travel in India, I have been informed that the principal roadways of that country are of a permanent type and well adapted to modern traffic.

"For several years, beginning in 1902, I made annual visits to France for the principal purpose of motoring through that attractive country, and the superior manner in which the French highways were maintained never ceased to be a wonder of exceeding interest to me.

"As I recall the French system, their roads are divided into three classes: First, the national routes, built and maintained by the general Government; second, the departmental roads, constructed and kept up by the various departments, which are in a political sense comparable to our States; third, the communal or district roads, which belong to and are kept in order by political divisions of country like our counties. This French system has always appealed to me as the model which should be followed by the United States and particularly with regard to the matter of maintenance, which is cared for through the labor of organized road gangs that are employed every day of the year, just in the same manner that our great railways care for their roadbeds by section gangs. When not employed in the direct work of paving or repairing the macadamized highways the men are kept busy preparing broken stone to be used for the next resurfacing. No doubt the splendid road system of France served a good purpose during the Great War, although it may have been shown that much of the roadway was not substantial enough to withstand the unexpected heavy travel of war munitions and supplies.

"The English roads are also of substantial type, but England has comparably less mileage of national routes, and their roadways, while of good surface, are generally narrow and winding.

"Much improvement has no doubt been made during the recent years in both of these countries. I noticed on my latest trip in 1912 that France, like England, was commencing to protect the macadam foundations with asphalt or heavy oils.

"In our country we have been so desirous of building new roads and extending mileage that not enough attention has been given to maintenance. There are probably sections or even States where this criticism would not apply, but from personal observation I feel justified in saying that, as a rule, we have invested too little money in upkeep or repairs as com-



pared to the annual expenditure for new construction. We have been prone to open up new roads at heavy expense, then leave them to the traffic and the elements until they have gotten into that state of broken surface which involves unusual cost for resurfacing. I believe that our people are beginning to realize the necessity for keeping regularly organized road gangs at work on our highways at all seasons of the year.

"At this point I want to mention the very excellent system of road marking generally used in France and which is now being used very extensively in this country. To the average automobilist the sign 'dangere' means nothing and is disregarded because it conveys no definite information, whereas a well-known mark indicating a curve, a railway or road crossing, a hill or bridge, and in rare cases a drain or gutter serves as adequate warning.

"The problems of efficient road construction are not all of the past, nor have they yet been solved, because new conditions are momentarily calling for more suitable construction. Roadways which were adequate for the traffic of 10 years ago are to-day breaking down under the heavy traffic which passes over them. Formerly an ordinary type of macadam road was ideal for general country use, whereas to-day we must resort to more expensive type of construction, including heavy wear and weather-resisting surface. Even the type of subsoil upon which the foundation is laid must be studied to determine if special treatment is necessary. The natural tendency is to adopt a more and more expensive type of construction for our roads, and like every other movement danger lies in the probability of its being carried to an unnecessary degree.

"Instead of building all of our roads so that they will withstand the heaviest possible traffic that can be put upon them, is it not possible to place a limit on the weight of loaded trucks, to limit the speed at which they may travel, and to prescribe the width and type of tires according to the weight of the load which they are designed to carry?

"It is also possible to expend too much money in endeavoring to shorten the mileage or reduce grades to a minimum, and there is also a tendency to make the highway wider than is justified by the traffic it must carry.

"The movement for Federal activity in the matter of good road building was crystallized in the Shackleford Act, which became a law on July 11, 1916, carrying total appropriations of \$85,000,000, of which amount \$10,000,000 was assigned for use in constructing roadways in the forest reserves and the remaining \$75,000,000 to be expended dollar for dollar of State funds available for use in the construction of highways. The allotment for the fiscal year ending June 30, 1917, was \$5,000,000, the annual appropriation to be increased by an additional amount of \$5,000,000 each year until 1921, inclusive, when it aggregates the sum of \$25,000,000.

"The money has been allotted to the various States based one-third upon area, one-third upon State population, and one-third upon mileage of rural delivery routes and star routes. The appropriations are safeguarded by customary provisions, including the approval of the Secretary of Agriculture on all projects submitted by the States for Government aid.

"The Post Office appropriation bill of 1919 carried, under similar conditions, additional appropriations of \$50,000,000 for the year ending June 30, 1919; \$75,000,000 for the year 1920; and \$75,000,000 for the year ending June 30, 1921, for expenditure in matching State appropriations dollar for dollar; also an additional amount of \$9,000,000 for the construction of roads in forest reserves; and in this bill the limit on Federal contribution was raised from \$10,000 to \$20,000 per mile of road.

"The general plan upon which the Shackleford bill and the act of 1919 is based has not worked out as satisfactorily in practice as had been anticipated by the proponents of these measures. The requirements of an equal proportion of State funds to match the Federal aid results in leaving little, if any, money in the road funds of the State available for needed upkeep and the development of secondary or tributary roads. This is particularly true in the Western States.

"Construction of the roads, after approval of the projects by the Federal authorities, is under the direct supervision of the State highway board, and the tendency has been to devote attention almost exclusively to local interests without any reference to the highways of other States which should afford connections as parts of national routes.

"There is unavoidably a strong influence always at work in every community which might possibly be reached by a main thoroughfare to have that roadway built right through the center of the particular town or village, whereas in the majority of cases it would be much better for the community itself if it

would construct a short connecting road, thus avoiding the annoyance and ever present danger of through traffic, while at the same time obtaining the advantages of shorter length and better grade for the main route.

"The Federal aid plan does not restrict the application of the funds to the construction of main or through routes. Many expenditures for new roads are made without any reference whatever to national thoroughfares. Much of the construction is of inadequate type and not substantial enough to stand up under the ordinary traffic. When the choice and determination of routes is left to local highway officials they are apt to be too strongly influenced by local needs. The shortest and most economical routes for new roads will be departed from in order that they may pass through every small settlement, village, or town to meet the requests of their inhabitants. Direct routes with minimum grades should be developed and the necessary connecting short stretches constructed by the town or village requiring the connection.

"It has been estimated that the expenditures for highway construction for the year 1920 in the United States amounted to about \$600,000,000, and the indications are that at least this rate of expenditure will be continued.

"It seems to me that we should adopt a system of national routes or highways which would be designed to carry the principal traffic between the largest centers of population in the various States and that these roads should be constructed and maintained by the Federal Government; that they be supplemented by State roads built and maintained by the States themselves, which roads would in turn be fed by the county or township roads built and maintained by the various towns and communities within the States.

"The provisions of the Townsend bill seem to me to meet most of the objections which have been raised to existing Federal laws, yet it is frankly admitted by the author of this bill that it has not yet been perfected, that it must include proper provision for the construction of highways in the forest reserves and possibly other amendments.

"The principal provisions of this bill include the establishing of a Federal highway commission composed of five commissioners, appointed by the President at annual salaries of \$10,000, which commission shall have authority to establish, construct, maintain, improve, and regulate a national system of highways composed of connecting interstate roads, which shall, by the most practicable routes and with due consideration for the principal centers of agricultural and industrial production, afford ingress to and egress from each State and the District of Columbia. The system may include highways to and from important water ports and those connecting at the border with main highways in countries adjoining the United States.

"The commission shall determine and select the highways which are to become a part of the national system and the order in which they shall be constructed. Within two years the commission shall publish maps showing the highways it has selected and follow same with annual publications.

"National highway mileage in each State shall equal 1 per cent of the total highway mileage actually used as such in the State, and where such 1 per cent will not suffice to afford at least two national highways connecting with national highways in adjoining States the mileage shall be sufficiently increased to provide two such highways.

"The rule for rights of way provides a width of not less than 66 feet and a wearing surface of not less than 20 feet.

"Upon installation of the commission it would have transferred to it all of the powers and duties now exercised by the Secretary of Agriculture under the Federal aid act, which would involve the transfer of personnel, equipment, etc., now engaged in highway work.

"The proposed bill carries appropriations amounting to \$425,000,000, of which \$50,000,000 would become immediately available, \$75,000,000 for the following fiscal year, and \$100,000,000 for each of the three succeeding fiscal years. Five per cent is the limit which may be expended for administration, and the commission is authorized to set aside a sufficient amount for maintenance, after which the remainder of the appropriation for each fiscal year is apportioned among the different States in the same ratio that the mileage selected in each State bears to the total mileage selected in all States, the appropriations to remain available for five years.

"Hearings on the general subject of good roads were conducted by the Senate Committee on Post Offices and Post Roads, of which Senator TOWNSEND is chairman, during the first half of last year, and at these hearings very valuable information was obtained from witnesses who had been interested in road building in many different States of the Union. The consensus of opinion undoubtedly was that the method of Federal aid which

we have been following is inefficient and should be abandoned, and that the only possible way by which we may solve the road problem in a practical businesslike way is to provide for a system of national highways under the control and supervision of national authority, such national system to be supplemented by separate State systems under the entire control of the State authorities, leaving it to the counties to construct their own systems of connecting roads. The testimony indicated the general feeling that the piecemeal system of construction now in use never would give us proper through routes or even interstate routes, and that attempts to develop roads by first building local roads would end in ultimate failure.

"Upon being asked why he preferred the Townsend bill to the present Federal plan, one witness testified as follows: 'Because I believe it would be the beginning of the construction of roads beginning somewhere and going somewhere; that it would mean the construction of continuous roads instead of undertaking to build them by piecemeal or patchwork.'

"One correspondent of mine expressed his opinion that 'it would be absolutely necessary to have a national commission, whose duties should be the laying out of an interstate system of highways, the prime object of which should be the care of interstate traffic without any consideration whatever as to local matters,' and that 'in laying out such a system, I think the controlling factor should be a shorter distance, careful consideration being given to physical conditions. Miles should be saved wherever possible for through traffic, as every added mile to a road means 15 to 20 cents to each vehicle.'

"From the last figures available, the appropriations of 1916 and 1919 amounting, aside from appropriations for forest roads, to \$275,000,000 less 3 per cent deducted for administration purposes, leaving \$266,750,000 for distribution, showed that, as of November 30, 1920, allotments of something over \$141,000,000 had been actually made, leaving over \$125,000,000 still available in the Public Treasury. As against this, however, some additional projects have been filed for approval, so that the balance above quoted has probably been now reduced to something like \$72,500,000, which should much more than meet all requirements for the next fiscal year.

"In the light of this situation it would not appear necessary for the Federal Government to make any further appropriations for the purpose of matching State dollars available during the fiscal year ending June 30, 1922, in case it were finally decided to continue that plan instead of adopting the national policy outlined in the Townsend bill.

"It is my hope and expectation that further hearings will be conducted by Senator TOWNSEND's committee in the near future, and that they will result in recommendations to the Congress that will insure the construction of a national highway system under appropriations made available commencing July 1, 1922.

"I can not too highly commend the activities of the Keystone Auto Club and kindred organizations which have accomplished so much in the development of public highways.

"May your continued interest and effort yield ever increasing harvest for the lasting benefit of all the citizens of our beloved Republic."

#### ADDRESS BY SENATOR POMERENE.

Mr. KING. I ask unanimous consent to have printed in the RECORD the address delivered last night by the senior Senator from Ohio [Mr. POMERENE] before the Chamber of Commerce of Cincinnati. It relates to pertinent subjects of the hour, taxation and post-war problems, and is a very able consideration of those subjects.

The VICE PRESIDENT. Without objection, it is so ordered. The address is as follows:

#### SOME OBSERVATIONS ON BUSINESS ADJUSTMENT.

"Every great war brings its disasters. The magic wand has never been found which, immediately upon the signing of the armistice, could restore the normal conditions of the prewar period. This is true as to any war. It is especially true of the world cataclysm such as we have passed through.

"Think of it. Nearly all the great civilized countries of the world in actual fighting ail or the greater part of the time from August 4, 1914, to November 11, 1918; and our own country from April 7, 1917, to November 11, 1918.

"The world had in arms probably 40,000,000 men; our own country, in the Army and Navy and Marine Corps, more than 4,000,000. During this period every human energy of all these great nations was bent toward the winning of the war. The activities of peace were forgotten. The question uppermost in the minds of men and women everywhere was not 'What is the cost?' It was quantity and quality and quickness of delivery of supplies that we wanted. Cost was a secondary consideration.

"The war activities cost the world between two hundred and fifty and three hundred billions of money, a sum equal to if it does not exceed the total wealth of the United States. All of these supplies were consumed in fighting, or if not consumed, the remnant was of comparatively little value in the processes of peace. Most of this debt is unpaid. The entire world staggers under it.

"During the war Europe came to America for a large part of her supplies. Not firms nor individuals alone, but the Governments of Europe were the buyers. They paid for what they bought—not reasonable prices, but the prices asked. And when the United States entered the war our Government, too, had to pay for its purchases largely the prices asked, and those who had supplies to sell were influenced in making their demands largely by the prices the sellers got or were getting from the Governments of the Old World. It can not be said truthfully that any one man or set of men was to blame. It was the result of an unhealthy psychology that existed everywhere. It was contagious. If I were addressing an audience of producers anywhere—except in Cincinnati—and were to admonish them in advance that I was going to hit the man on the head who got too much for what he sold, two-thirds of the audience would duck their heads. I do not say this in a fault-finding way. I speak of it only as a condition which prevailed and for which no one man but the public generally was responsible. As the result, there were swollen profits accruing to everyone interested directly or indirectly in furnishing war supplies.

"Prices advanced. It required more money to do the same amount of business than before the war. European countries, under the stress of financial conditions, expended their currency beyond the limit of safety.

"In the United States we, too, were compelled to expend the volume of our currency. In 1896 our per capita circulation was \$21.44. In 1914 it was \$34.35. In 1917 it was \$45.74. On January 1, 1921, it was \$59.12. The United States had the larger part of the gold—the world's money for ultimate redemption. In Continental Europe their supply was drained almost to the dregs.

"So long as there was an upward trend of prices, and an opportunity to borrow in unlimited amounts, men everywhere—except those of sound discretion—continued their borrowings, forgetful of the fact that there can not always be an upward trend and that pay day must come. And it is here.

#### SOME OBSERVATIONS ON BUSINESS ADJUSTMENT NO. 3.

"Prudent men took in sail. Reckless, avaricious men, misled by greed or greed, threw prudence to the winds and unfurled more sail. The war which was the cause of high prices ended. Europe and the United States stopped their purchases of military supplies. This meant the cutting off of purchases by foreign Governments, not only of military supplies, properly so called, but of food and clothing for both military and civilian population as well. Every observing man ought to have known that the increase of prices beyond a given point always leads to curtailed consumption, throws men out of employment, and leaves in the lurch those who have supplies on hand that were made out of high-priced material and high-priced labor.

"The law of economics can not be changed permanently by any law enacted by the Congress or a Parliament. It is only when the law of supply and demand ceases to function that legislation can give even temporary relief, and such legislation should be resorted to only in time of war. Little can be done in this behalf in time of peace through the medium of legislation. And, yet, there are men, both in the Congress and out of it, who in their efforts to repeal or modify this natural law, approach our Federal Reserve Bank System as poor, blind Samson of old approached the temple to pull down its pillars. They forget that while Samson succeeded in pulling down the pillars he wrecked the temple and destroyed his own life.

#### DECLINING PRICES.

"It necessarily follows that when prices have reached their peak and begin to fall, the value of all products—whether of factory or farm—begin likewise to decline, and the law of supply and demand will take no account of the fact that they were made out of high-priced material and high-priced labor. The manufacturer who has his stock bins full of finished products made out of high-priced material, at high wages, is in identically the same position as the farmer with granaries filled with his high-priced products, or the stock raiser with his flocks or herds fattened on high-priced feed. Shrinking values are no respecters of persons, and in spite of anything the Government can do values will shrink when demands fall off.

#### SOME OBSERVATIONS ON BUSINESS ADJUSTMENT NO. 4.

"The Government can not guarantee prices in time of peace. It can not insure values. It ought not to attempt the impossible for one class unless it does for all classes. Paternalism by



Government in our involved situation seems to some extent to be necessary; but it does not follow that paternalism should monopolize the field of financial or industrial activity.

"If a man produces steel at excessively high prices and the market declines, certainly he has no right to ask the Government to make good his losses. If a man invests his savings in railway or other securities when values are normal, certainly he ought not to ask the Government to guarantee him against declining prices, even though they were caused by the mismanagement of some theorists representing the Government. If this position be sound, can a stock raiser who paid \$25 for a ewe when he thought prices were going to advance, and they declined instead, expect the Government to make him whole because he made a wrong guess as to the market? If a man raised wheat at an exceptionally high price for seed and labor, expecting \$3 a bushel therefor, can he expect the Government to make good his losses if falling prices should wipe out his margin? If the cotton planter could get 40 cents a pound for his cotton, which was the case some months ago, and he held it expecting 50 cents a pound, ought he to ask the Government to make good his losses if it declined to 14 or 15 cents a pound? Men from the South opposed the fixing of the price of cotton during the war when prices were advancing. They later saw it go up to 40 cents a pound, and when it began to fall they came to Washington and demanded that the Government fix the price at 40 cents a pound. Men from the West who were opposed to the fixing of any prices for wheat during the war, except a minimum guaranty to encourage production, demanded that it be fixed at \$3 when it began to decline.

"It is distressing to see men lose money; but the Government must not stand sponsor for men, no matter what their avocation, who have misjudged economic prospects. Men who have eyes must see. Men who have ears must hear. And men who have understanding must understand, or the consequences will recoil on their own heads. Even if the Government could do these things, is it right to make the toiling masses pay these excessive prices for bread and clothing?

"The manufacturer who is forced to sell his output on a declining market is in an unfortunate position. The farmer is in a worse plight because, as a rule, his business is not so liquid, and he can make his turnover only once each year. But worst of all is the laboring man who is out of a job because the wheels of industry have stopped or checked down. He and his family may be brought to the bread line. Let those who are constantly asking for legislation to increase the price of food and clothing take pause and give thought to the men who are out of work and who must pay these higher prices or go hungry and naked.

"I do not mean to be understood as taking the position that nothing can be done to aid in the better financing of agriculture. I think something ought to be done. I believe it can be done by the adoption of some system of rural credits, and I hope to help to devise a scheme so to do. But I am speaking now particularly of the fixing of values or the making of forced loans through the Government or banking institutions during the period of declining values. Sound discretion in making loans must control the banks. Sound discretion in the rediscounting of paper must control the Government and its agencies, the Federal Reserve Board and the directors of the 12 reserve banks, as well as of the member banks.

#### THE FEDERAL RESERVE BANK.

"The Federal reserve bank is not an investment institution. It is what its name implies—a bank for reserves. Its primary purpose is to render flexible our currency system so as to make it respond to the financial demands of the country. This means its reasonable demands—the demands of prudence, the demands of sound finance, not the demands of the speculative spirit. It means that those in authority must be controlled by the 'rule of reason,' whether it be in a period of expansion or of contraction of the currency. Expansion must not go on unduly nor to an unlimited extent, and contraction must not come too quickly. Expansion must not be controlled by the borrower who knows no limit to his demands, and contraction must not be controlled by those who have money to lend. It must be, as it is, in the control of those who can see the financial problem from both sides of the bank counter at the same time.

"Losses by whomsoever sustained are always regretted. If there was any way known to sound policy whereby losses due to declining prices could be prevented I would be most happy to help to secure the remedy. But I am not deceived by the false nostrums which are brought to the Congress by those who can not see beyond the end of their noses, who always are listening to the clamor of professional lobbyists, most of whom have been failures in their own business, but notwithstanding seek to shape the destinies of their country. Right thinking men will not be deceived.

#### INFLATION AND DEFLATION.

"Most of the things I have said are admitted to be sound by those who have been seeking increased rediscount by the Federal Reserve System. They admit that ultimate deflation will be necessary, but they say it was begun too suddenly and continued too vigorously. The truth is there has been no deflation. The Federal Reserve Board has only checked further inflation.

"For a period some months ago the inflation continued increasingly at an angle of 45 degrees, as shown by the diagrams made. If the Federal Reserve Board had permitted this inflation to have continued for a few months longer, our Federal Reserve Bank System would have been ruined, and we would have been approaching the conditions which prevail in Germany, France, and other countries in Continental Europe. If inflation had continued as demanded by some, our dollar would not have been a 50-cent dollar; it would have been a 25-cent dollar. What the Federal Reserve Board did was not to deflate, but to reduce the angle of inflation from 45 degrees to 2 degrees. Those who want the Congress to direct the Federal Reserve Board to continue the policy of inflation beyond the bounds of safety fail to distinguish between continued inflation at 2 degrees and actual deflation. It may be the Federal Reserve Board has not always done the right thing in the right way; but assuming there are limitations to its ability, and that it has made mistakes, I would rather trust the Federal Reserve Board with the performance of the highly technical duties of administering our finances than to trust the judgment of this or any other Congress. Let us see whether there has been, in fact, any deflation either of currency or of credit.

"First. The per capita circulation has increased almost constantly since 1896, when it was \$21.44, until January 1, 1921, when it was the sum of \$59.12.

"Second. I think it can be assumed, speaking generally, that the member banks of the Federal Reserve System, as well as the State banks, have extended credits in their communities as far as they could with safety to themselves and their depositors. Certainly there is no evidence that this has not been done. The business interests of bankers would require them to loan their funds out as closely as they could with safety.

"Third. The Federal reserve notes increased from \$3,800,878,000, December 31, 1919, to \$3,344,686,000, December 30, 1920, an increase during the year of \$335,808,000. Between August 27, 1920, and October 29, 1920, the Federal reserve note circulation increased from \$3,203,637,000 to \$3,351,303,000, or at the weekly rate of 16 4-10 millions.

"Bills rediscounted and held by the Federal reserve banks on December 31, 1919, amounted to \$2,215,305,000, and on December 30, 1920, to \$2,719,134,000—an increase of \$503,829,000. Between August 27, 1920, and October 29, 1920, the Federal reserve bank holdings of rediscounted paper showed an increase from \$2,667,127,000 to \$2,801,297,000—or at the rate of about \$15,000,000 a week. Gov. Harding, of the Federal reserve bank, is my authority for this statement.

"The rediscounts by the member banks in the Richmond district increased from \$115,922,000, December 30, 1919, to \$122,886,000, December 30, 1920.

"In the Atlanta district from \$87,523,000, December 30, 1919, to \$168,808,000, December 30, 1920.

"In Chicago from \$260,588,000, December 30, 1919, to \$475,869,000, December 30, 1920.

"In St. Louis from \$74,912,000, December 30, 1919, to \$114,218,000, December 30, 1920.

"In Minneapolis from \$70,335,000, December 30, 1919, to \$96,470,000, December 30, 1920.

"In Kansas City from \$108,068,000, December 30, 1919, to \$140,180,000, December 30, 1920.

"In Dallas from \$29,247,000, December 30, 1919, to \$96,596,000, December 30, 1920.

"In San Francisco from \$69,950,000, December 30, 1919, to \$164,686,000, December 30, 1920.

"These rediscounts in the eight Federal reserve banks which are more closely identified with the agricultural and live-stock interests increased in this one year from \$816,615,000 to \$1,378,713,000, or a total increase of \$562,098,000.

"Fourth. More than this, the three Federal reserve banks at Boston, Philadelphia, and Cleveland have advanced at times as much as \$250,000,000 during the past year to seven other Federal reserve banks whose districts are largely agricultural.

"Fifth. Attention has been called to the fact, as evidence of deflation, that the deposits in the New York City banks decreased from November, 1919, to November, 1920, about \$1,400,000,000. But over against this fact is the further fact that during the same period the total deposits of the country increased for the fiscal year ending June 30, 1920, over \$4,000,000,000. This is at least some evidence that deposits may have been, and

probably were, withdrawn by interior banks in response to the increased demands of their respective localities.

"I recognize that in a public speech it is always tedious to deal with figures, but there has been so much of misrepresentation throughout the country as to the policy of those who are in control of our Federal Reserve System—for the purpose of discrediting it and, incidentally, to get some little applause at home—that I feel common justice will permit the recital of established facts. This is not the time for those who are long on theory and short on knowledge to misrepresent what is being done by our Federal Reserve Bank System for the relief of the whole country. Stabilization should be the slogan of the hour, and not agitation.

"I am firmly of the opinion that the expansion of our currency and our credit has gone almost, if not quite, to the limit. Any further expansion is liable to take us off a gold basis and give us a paper currency. We might go some further and give temporary relief; but the day of reckoning would come with only greater vengeance. We can continue to expand if we will until the American dollar will be worth no more than the French franc, the German mark, or the Russian ruble. But European schemes of finance, due to war conditions, will not be introduced here without at least a word of warning.

"It perhaps is not inappropriate for me to observe that there are 11 States, including the District of Columbia, in which the contract rate of interest is 10 per cent, and 9 States in which the contract rate of interest is 12 per cent; and that a large part of the dissatisfaction with the administration of the Federal Reserve System comes from these States. If those Senators and Congressmen—and I say this very respectfully—who are seeking to take away the safeguards which protect our financial system will go to their home legislatures and persuade them to reduce the rates of interest to a point which borrowers can afford to pay, they will serve their constituencies better than by the course they are pursuing.

"No farmer, manufacturer, or merchant who does a conservative business can afford to pay these high rates. Only speculators can risk paying them. With reduced rates the same amount of interest will carry the loans for a longer time.

"Speaking generally, the remedy for falling prices is not more money or more credit but more and better markets for surplus products. We need them for farm and factories alike. Our home markets can not consume our products. We must sell them in the foreign markets. Owners and producers are not going to improve conditions by holding for an undue length of time their goods when prices are sharply declining, and in some lines threatening to continue to decline. Men who are out of employment can not satisfy their hunger and clothe their nakedness when others have supplies with which they will not part. Hungry men must have work if they are to sustain themselves and furnish their products to those who need them. The difficulty is, in part, due to the fact that those who now have are holding their products because they hope to realize in full the high prices which they paid in the past for raw material or labor or because they still want a profit when losses are in sight.

"Reduced to its final analysis this is the problem: After supplying home demands, how can we sell and transport the surplus, at high prices, for sound dollars, to the people who want it and who have no money and little credit with which to pay for it.

"Our allies already owe us \$10,000,000,000 for borrowed money. In addition to this vast sum the business men of our country have extended to European countries credits to the amount of over \$4,000,000,000. They do not have the gold with which to pay their debts to us. We will not take their cheap dollars in return for our good dollars. They can not pay their debts to us in any other way than with their cheap dollars if we do not trade with them. They can not buy and pay for our surplus unless we do trade with them. Europe is our market for our foodstuffs and many lines of manufactured products, and we can not, under present conditions, sell to Europe unless we buy from Europe. Whether we like it or not, we must so deal commercially with these war-stricken countries as to help rehabilitate them both industrially and financially.

"Every thinking man who has studied economic conditions must realize that the period of high prices through which we have been going can not continue forever. Readjustment must come. There must be reductions. Abnormal prices result only from abnormal conditions. War alone made them, and war alone can keep them up. They can not and they ought not to continue during peace times. Applying the situation to ourselves: More than four million men who were in the military service have reentered the activities of peace. Many more millions stopped the production of war supplies, which are useless

in time of peace, and directed their attention to the products which are in demand by our consumers in normal peace times. These statements are not new to economic students. And yet many organizations, and some farmers' papers, immediately after prices began to fall advised the farmers to hold onto their products until higher prices would come. No doubt their readers were persuaded by these statements in their farm papers to hold on, with the result prices decreased from day to day instead of advancing.

"The decline is charged by some to be due to speculation in farm products, and I have no doubt this charge is in part true. But it is not the whole truth. The farm papers and organizations that advised their readers and members to hold for higher prices must share their responsibility, in part, for the losses sustained.

"To illustrate: The editor of the Nonpartisan Leader, Minneapolis, September 20, 1920, speaking of declining prices, said:

'Farm organizations of Nebraska, Kansas, Oklahoma, and Missouri also are distributing literature showing that the cost of raising wheat in these States is \$2.77 per bushel, and urging farmers not to sell until they get that price and enough additional to give them 23 cents a bushel profit. In other words, they urge holding for \$3 wheat. This is splendid advice. But how many farmers have storage facilities?'

"Wallace's Farmer, October 8, 1920, says:

'About the only thing the farmer can do under present conditions is to avoid dumping his crop on the market in the time-honored way. The financial and business interests of the country will do everything they can still further to break prices of farm products during the next six months, and the only way the farmer can meet this is by holding back his crops, most of which are already selling at less than the cost of production.'

"The Courier-News, Fargo, N. Dak., October 12, 1920, quotes from the Fargo Forum the following:

'Since you advised the farmers to hold their wheat when it was selling 60 cents to 70 cents higher than it is now, what advice have you now to give to the farmers who followed your previous advice? Should they continue to hold, or should they take their loss and sell out now?'

"And then the Courier-News answers this question in these words:

'Our advice, in one word, is, "Hold!"'

"An examination of agricultural and other papers will indicate that this advice was pretty generally given by those who were advising the farmers. It would be good advice if it saved the farmer. It will prove bad advice if it results in greater losses to him.

"Wheat is now selling at approximately \$1.75 per bushel. In September, 1920, when the farmers of Nebraska, Kansas, Oklahoma, and Missouri could have received \$2.50 per bushel, they were urged by their organizations to hold their wheat until they could get \$3 per bushel. The men who volunteered this advice, which did not take into account economic laws, took upon their shoulders a very great responsibility when innocent and trusting farmers and producers accepted such advice and held for higher prices only to be compelled to make greater sacrifices.

"There are, however, methods by which our marketing conditions, both at home and abroad, can be substantially improved.

#### MARKETING AT HOME.

"First. We ought to establish a more complete system of rural credits where advances on personal credit can be made under proper restrictions.

"Second. The marketing of farm products can be very greatly improved by the organization of farm cooperative associations, provided they are so managed and controlled as to be equitable and just to both producer and consumer.

"Third. By building up a more extensive system of warehousing, by private enterprise under State or national regulations, providing for the proper grading and classification of farm products and issuing warehouse receipts therefor.

"Fourth. By the organization of a system of banks or financial corporations or associations, especially organized to make loans on these farmers' warehouse certificates, giving them power to issue bonds within reasonable limitations when additional funds are required.

"Whether these plans, if adopted, shall be under national or State control must depend largely upon the holding of the United States Supreme Court as to the constitutionality of the Federal farm loan act.

#### FOREIGN TRADE.

"First. Our export trade in farming as well as in mining and manufacturing products can be very greatly promoted by the organization of more export trade associations under the export trade act approved April 10, 1918. Prior to the adoption of this law it was believed by merchants and manufacturers, and by some lawyers, that combinations for the purpose of selling abroad violated the Sherman antitrust law. In Europe, and particularly in Germany, France, and England, the practice has been to organize cartels or combinations for the



purpose of buying and selling in the markets of the world. As a result our merchants, prior to the adoption of the export trade act, were compelled to compete with them single handed. In fact, during the early part of the World War the Governments of the Old World, with their unlimited credit, became the buyers, and we had in each of the nations of the Old World but one buyer, and in the United States we had many sellers bidding against one another. To meet this condition the export trade act was passed.

"As you know, this act authorizes persons, partnerships, or corporations, to organize associations for the sole purpose of engaging in export trade. They can combine and thereby extend the operations of our foreign commerce and meet the cartels and combinations of the Old World more nearly on a footing of equality. No longer is it necessary for the individual American exporter to compete with the great aggregations of capital on the other side of the waters unless he chooses to do so.

"That this act is practical in its operations and has improved selling conditions abroad is evidenced by the fact that already under its provisions 43 associations have been organized, representing 732 concerns whose offices and plants are distributed over 43 States in the Union. They sell all kinds of American products. I quote from the annual report of the Federal Trade Commission for the fiscal year ending June 30, 1920:

'From California go out lumber, hardware, chemicals, fertilizer, general merchandise; from Illinois, condensed milk, grain, meat, office equipment, agricultural implements, machinery, lumber; from Wisconsin, cereals, canned goods, forest products; from Michigan, chemicals, cereals, foundry equipment, paper, furniture, meats; from New York and Pennsylvania, locomotives, cement, steel, copper, wood products, machinery, textiles, paper, alcohol, chemicals, cereals, food products, general merchandise; from Massachusetts, textiles, webbing material, copper, paper valves, pipe fittings, chemicals, cereals, lumber; from North Carolina and the Southern States, canning materials, lumber, phosphates, pipe fittings, meats, locomotives, clothespins, general merchandise.'

"Those who are interested can and should make more extensive use of these associations in their marketing abroad. By so doing they not only can benefit themselves directly, but indirectly can benefit the commerce of the entire country.

"Second. One of the handicaps our merchants had to meet in seeking foreign trade was our lack of banking facilities abroad with which to finance their operations. The Edge Act, approved December 24, 1919, authorizes corporations to be organized to engage in international or foreign banking or other international or foreign operations.

"One such corporation has been organized in New Orleans with a capital of \$7,000,000. Another is being organized in New York with a capital of \$100,000,000. Other similar organizations are in contemplation. I have every confidence that if the privileges granted by this act are accepted by the commercial, banking, and industrial interests of the country we can very greatly aid our own foreign business to the advantage not only of our own country but of the nations of the world.

"Third. Like assistance at this crucial time can be given by the War Finance Corporation. I am not enamored of the policy of our Government entering upon what may be regarded as strictly private business. But, my friends, extraordinary conditions require extraordinary methods to meet them. The War Finance Corporation did splendid service as long as it continued its operations. True, it was created during hostilities for war purposes. Its general powers were to expire six months after the termination of the war and its special powers with respect to the financing of exports were to expire one year after the termination of war. But one of the serious problems we have is the financing of our export sales. This is not the result of ordinary business conditions. It is the result of war conditions. It may be that in a short while business men will so avail themselves of the powers and privileges of the export trade act and the Edge Act as not to require the assistance of the War Finance Corporation. It may be that its effect will be largely psychological, as I stated upon the floor of the Senate, but whether it is psychological or direct and actual in aiding our foreign trade, it will be beneficial none the less. Viewing it in this light, I favored the resolution reviving the War Finance Corporation and voted to pass it over the veto of the President. The success of the War Finance Corporation is not a legislative problem. It is one of administration. It is essentially a Government owned and operated bank. The Government, by its policies for war purposes, largely absorbed the finances of the country, and my belief is it is not unsound policy to give, temporarily, this aid to the commerce of the country until business can readjust itself.

#### IN CONCLUSION.

"My friends, in the present condition of unrest in trade and industry I have felt it not improper to make these observations

before the Cincinnati Chamber of Commerce. But I would not for the world have you think that I am pessimistic as to the outlook. I am an optimist. I look upon present conditions as one of the results flowing from the world cataclysm and temporary in character. The same fine, indomitable American spirit which prepared for and largely aided in the winning of the World War for civilization and humanity will conquer in the face of present economic difficulties. A little of the spirit of give and take, by producer and consumer, by employer and employee, and a new era will dawn. The preachers of fads and fancies, of unrest and anarchy, may be heard for a little while, but they will melt away before the sober second thought of the country like mist before the rising sun. This is now and always will be the best land in all the world."

#### REDUCTION OF THE ARMY.

The VICE PRESIDENT (at 12 o'clock and 10 minutes p. m.). The morning business is closed.

Mr. WADSWORTH and Mr. NEW addressed the Chair.

The VICE PRESIDENT. The Senator from New York.

Mr. WADSWORTH. I have no doubt the Senator from Indiana and I have both risen for the same purpose. I yield to the Senator from Indiana.

Mr. NEW. I move that the Senate proceed to the consideration of Senate joint resolution 236.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 236) directing the Secretary of War to cease enlisting men in the Regular Army of the United States until the number of enlisted men shall not exceed 175,000.

The VICE PRESIDENT. The pending amendment will be stated.

The ASSISTANT SECRETARY. The pending amendment is the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to strike out the figures "175,000" wherever they appear in the joint resolution and insert in lieu thereof the figures "150,000."

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Tennessee?

Mr. NEW. I yield.

Mr. McKELLAR. The Senator from Wisconsin [Mr. LENROOT] said he would be unable to be here this morning and that he would like to have a ye-and-nay vote on the amendment. The amendment, as the Senator from Indiana knows, proposes to reduce the number of enlisted men. I presume the Senator has no objection to the request of the Senator from Wisconsin for a ye-and-nay vote.

Mr. NEW. No.

Mr. McKELLAR. It is purely a question whether we shall reduce the Army to 150,000 instead of 175,000, as provided in the joint resolution. The entire committee was in favor of reducing the Army, but a portion of the committee, among whom was the Senator from Wisconsin and myself, desired the number reduced to 150,000, while a majority of the committee thought that 175,000 would be the proper limit. It will take, I will say, until next September to reduce the number to 175,000, whereas it will take until next January to reduce it to 150,000; but it ought to be reduced to the smaller number, in my judgment. Whenever the pending amendment comes to a vote I ask that the vote may be taken by yeas and nays.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Gronna	McNary	Smith, Md.
Beckham	Hale	Moses	Smith, S. C.
Borah	Harris	Nelson	Smoot
Brandegge	Harrison	New	Sutherland
Capper	Heflin	Overman	Townsend
Culberson	Henderson	Page	Trammell
Curtis	Johnson, Calif.	Phipps	Underwood
Dial	Jones, Wash.	Poinexter	Wadsworth
Dillingham	Kellogg	Ransdell	Walsh, Mont.
Edge	Keyes	Robinson	Warren
Fernald	La Follette	Sheppard	Wolcott
Gay	McKellar	Smith, Ga.	

The VICE PRESIDENT. Forty-seven Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of the absent Senators.

The reading clerk called the names of the absent Senators, and Mr. STERLING answered to his name when called.

Mr. COLE, Mr. GERRY, Mr. FLETCHER, Mr. SPENCER, Mr. GLASS, Mr. FRANCE, Mr. KNOX, Mr. KING, Mr. ASHURST, Mr. SIMMONS, Mr. STANLEY, Mr. WALSH of Massachusetts, and Mr. WILLIAMS entered the Chamber and answered to their names.

Mr. GERRY. I have been requested to announce that the Senator from Missouri [Mr. REED] and the Senator from Oregon

[Mr. CHAMBERLAIN] are detained from the Senate by reason of illness; and also that the Senator from Nevada [Mr. PITTMAN] and the Senator from New Mexico [Mr. JONES] are absent on official business.

The VICE PRESIDENT. Sixty-one Senators have answered to the roll call. A quorum is present. The question is on the amendment offered by the Senator from Wisconsin [Mr. LEXROO].

Mr. MCKELLAR. On that question, I ask for the yeas and nays.

Mr. WADSWORTH. Mr. President, I shall detain the Senate for just a moment. This matter was about to be acted upon the other day when the joint resolution had to go over when supplanted by the unfinished business. I have been heartily in favor for some time past of the proposal to stop recruiting in the Army, and to stop it until the Army has been reduced by natural processes to a total strength of 175,000 men. I think that figure is within the zone of safety, and certainly it will afford a tremendous relief to the Federal Treasury. However, I have very serious doubt as to whether it is safe for us to-day to issue a mandate to the War Department to reduce the strength of the Army to 150,000 men. As has been said upon the floor of the Senate, while, perhaps, the world is not so disturbed as it was back in 1916 and 1917, when Congress decided to fix the strength of the Regular Army at 220,000 men, after five annual increments, notwithstanding there is a good deal of disturbance, and it can not be foretold from day to day just what will be required by the United States for its own defense and for the defense of its citizens and its rights.

I would feel more at ease on the situation had it been possible in the short time which has elapsed since the demobilization of the Great War Army to reorganize and reconstitute the National Guard of the several States up to the strength which existed in that branch of the service at the time we went into the Great War. My recollection is that when the Mexican border service had been terminated the National Guard subject to Federal call at any time amounted to about 130,000 men. Since the Army reorganization act was enacted the reorganization of the National Guard has proceeded with fair rapidity, and, I think, in a very healthy manner. I look to see that body of troops become an even better force than it was before we went into the war; all the signs now point in that direction. To-day we have, I think, but 70,000 of them, and several of those units have been very recently organized and have just been Federalized.

So it is fair to say, without casting any reflection upon the National Guard, that it is not yet in the condition in which it was at the time we went into the war, although it bids fair, after a few months have elapsed, to be an even better force than it was before we went into the war. The fact is, however, that we have a bare 70,000 men in that force available for Federal call. I think, therefore, it would be wise for us, under all the circumstances, and in view of some of the situations which Senators can well recall, not to direct the War Department to reduce the only other force which the Government has at its disposal to so low a figure as 150,000 men.

When I urge the Senate to adhere to the number of 175,000 men, let me remind Senators that it will take until September next, in any event, to reduce it to that strength. Congress will be in session, I imagine, nearly all of the time between now and that date; undoubtedly we shall have an extra session this summer, and we shall spend most of the summer in Washington. If, as that date approaches, it seems perfectly safe, in view of all the conditions which may exist at that time, to reduce the strength of the Army still further, Congress may do so. There will be no delay involved in the ultimate reduction to 150,000 men in such a state of affairs. In other words, we can order a reduction to 175,000 men to-day and at any time next summer we can order a further reduction to 150,000 if we find the circumstances warrant it. I think it would be very unsafe, however, to reduce that force at this moment.

Mr. BORAH. Mr. President—

Mr. WADSWORTH. I yield to the Senator from Idaho.

Mr. BORAH. I wish to ask the Senator from New York a question. How did the committee arrive at the conclusion that a reduction to 175,000 men was a safe reduction, but that a reduction to 150,000 men was not? Upon what principle was that decided?

Mr. WADSWORTH. The question of the tactical organization of the Army comes in there and has a very distinct bearing upon the reduction. Under the tables of organization, which have been drawn up pursuant to the Army reorganization act, nine combat divisions are provided for.

Seven of them have been organized in the United States. They do not include the troops that are in the Panama Canal Zone,

Hawaii, and the Philippine Islands, as I recall. They are to-day, skeleton divisions. Most of the regiments of Infantry have no more than 600 or 700 men in them, although the tables of organization call for over 2,000. The same thing is true of the Field Artillery regiments. Now, if we order a reduction to 175,000 men from the present strength of approximately 224,000 men, I think we will compel the War Department thereby further to skeletonize and probably put upon a purely paper basis two of the seven divisions, leaving five divisions actually ready for use with their combat units. If we should reduce the Army to 150,000 men, I think we would compel the skeletonization and transfer to a mere paper basis two more divisions; and when we do that we reduce the available total in this country to three divisions, and that would be below what is ordinarily considered the strength which is reasonably efficient for active service if they were called upon at a moment's notice to perform active service.

The trouble is, Mr. President, may I say, that the Regular Army to-day is being called upon for service which I think it should not be called upon to perform. Perhaps I ought not to inject this element into the discussion, but the habit has grown in the last two or three years of the governors of States calling on the Regulars to come in and do police duty within the States. As a matter of fact, it is the duty of the States to do their own police duty. To-day I believe there is a considerable body of Regulars in one of the States doing police duty, and apparently they are being called upon more and more to do that, the States rather putting that job over onto the Federal Government and the Regular service.

The question of the tactical organization or the efficiency of the tactical organization has a very close connection with the matter of mandatory reduction and that was one of the considerations which confronted the committee.

Mr. BORAH. Mr. President, the argument which the Senator suggests would be as applicable next September as it is now, would it not?

Mr. WADSWORTH. It would be applicable if the conditions next September were exactly as they are to-day.

Mr. BORAH. The conditions, so far as the Army is concerned, would be the same.

Mr. WADSWORTH. They might not be the same so far as other circumstances are concerned.

Mr. BORAH. That is the point I was trying to get at—whether the question of danger from outside had anything to do with the matter at the present time.

Mr. WADSWORTH. It is difficult for a Senator on the floor and in open session to discuss all the possibilities that may confront the United States; but I think, generally speaking, this Republic at this time would better keep 175,000 men under arms.

Mr. BORAH. The query which occurred to me was, if we should have trouble with any foreign power how much safer would we be with 175,000 men in the Army than we would be with 150,000 men? An army of either figure would amount to very little at all.

Mr. WADSWORTH. On that theory we might reduce the Army to 10,000 men.

Mr. BORAH. The Senator concedes, does he not, that if we should have trouble with a foreign power 150,000 men would be just about as effective as 175,000 men?

Mr. WADSWORTH. I am not anticipating trouble with any foreign power. I have in mind the demands which may come upon the Regular Army to perform what is equivalent to police duty. It has been called upon several times heretofore to perform such duty, and there is a great possibility that it may be called upon in the future to perform similar duty. Of course, the more the Army is reduced the less power it will have.

Mr. FLETCHER. Mr. President, with the Senator's permission, I should like to make a suggestion to him. I believe that there are certain demands now because of which we need enlisted men, particularly with reference to the care of stores. Large quantities of stores have been accumulated, which may eventually be disposed of; but at the present time there are numerous materials of considerable value stored in various parts of the country requiring surveillance and care on the part of the military. Is not that the case, I will ask the Senator?

Mr. WADSWORTH. Unfortunately that is the case. I wish we could get rid of a good deal of it, but apparently the administration has not been able to do so as yet.

Mr. NEW. Mr. President, I am not at all prepared to make the concession conveyed in the question asked by the Senator from Idaho. I do not think that an Army of 150,000 men would be as efficient as a skeletonized organization if called upon in an emergency as would a skeletonized Army of 175,000 men. After very careful consideration of this whole question it is my deliberate opinion that to reduce the Army to 150,000 men would be to cut a little too close to the bone.



I am in entire sympathy with the idea of reducing the size of the Army. The very fact that the joint resolution is here is evidence of that; but, as I tried to point out the other day—and this is what the Senator from Florida had in mind, no doubt, in asking his question—half of the men in each of the corps areas right now are engaged in the care of public property. It is fair to say that in a sense they are not available for emergency duty. The War Department feels that it has not yet had time to dispose of some of the cantonments, the terminals, and warehouses, and all that kind of thing, which calls for the service of a great many of these men—in fact, about 5,000 of them to each corps area. Without undertaking to argue as to whether the War Department has been as expeditious as it might have been in consolidating those depots, the fact remains that that is the condition to-day, and that these men are required to look out for public property and are hardly available for emergency duty should the emergency arise.

For those reasons I felt that 175,000 was the least figure to which we could reduce the Army without impairing its efficiency.

Mr. WARREN. Mr. President, I stand pledged to myself, at least, in the interest of economy, to the cutting down of every expense in which we can safely and reasonably make a cut. I very cheerfully indorse the idea of stopping the recruiting of men until we may reduce the Army to 175,000, but I do not believe that we ought to cut further than that at this time. Therefore I can not support the proposition to cut down the number to 150,000.

The cut made would be a gradual reduction. It is not a discharge of men whose terms have not expired, except in individual cases by request and proper showing; and, as has been so well said by the chairman—and that argument is even stronger than upon first thought; I want to give it further emphasis—in that way we have better control of the situation. We can cut down now to 175,000 and make a second cut in nine months or so from now, if it should then be thought best, with greater safety and reasonableness than at present. This proposed cut to 150,000 men can not be effected until along late in the autumn, and by that time we shall have met in regular session again, and we will doubtless be, as my colleague has said, in session during the summer.

Whatever size Army we have, we want to be proud of that Army, and we want to support the Army in a way that will at least retain the morale, and not attack it in a matter where the rank and file of the Army may feel too much disheartened. It is often said by soldiers and citizens that we love the Army in time of war and we hate the Army in time of peace. I can not indorse that sentiment, nor can I indorse the allegation that any great majority of the people feel that way about it; but I do know that neglect and distrust and too great an economy rebound sometimes follow war to an unreasonable extent.

For instance, within the past five years, when the clouds were rising and it looked as if we might at any time be drawn into war, we were not prepared, and we did not move in the way of preparation until we had, if not earned, at least seemingly received the contempt of foreign nations to the extent that they were willing to sink our ships, notwithstanding we were a neutral nation. They were willing to take the chances of war with us on the ground that the American Army amounted to little or nothing and the Navy not much more. I do not believe and never have believed that if we had had an Army of 150,000 or 175,000 well trained and equipped men and the armament and supplies ready for action, with the known fact of our laws and the natural disposition to increase that Army in time of stress, we would have had no war. But foreign nations would have respected our strength and courage.

Of course, we have established the fact all the more by the draft act that we can readily assemble an army and that we will assemble an army in times of war. We have demonstrated to the world that we can be forced into war and, for that matter, can win. Now, we hope—at least I do—that the time may come when we will have a smaller Army and the nations of the world may agree to that, but it seems to me it will be time then to make deeper cuts than the one proposed to 175,000 or even 150,000 men.

When we consider that to make a cut now to 175,000 will cause some reorganization or skeletonization of the Army, and that it will take some 9 or 10 months, I think we are going far enough to reduce it to 175,000 enlisted men; and if later matters look as if we were to be without wars in the future, retaining, of course, our armament and equipment, we may then well reduce the number further; but I do consider it, if not unsafe, certainly unreasonable to now go to lower numbers than what was proposed, and what was so cheerfully agreed to by the majority of the Military Affairs Committee having the matter under consideration.

I hope the amendment to cut the Army to 150,000 enlisted men will fail, and I likewise hope the joint resolution itself providing for a cut to 175,000 men may pass.

Mr. WILLIAMS. Mr. President, to my mind it seems obvious that there are two theories with regard to a military establishment, upon either one of which the American people might logically act. One would be to establish an Army to whip anybody and everybody that might by remote possibility make any attack upon us. In order to do that we would need about 2,000,000 men on a peace establishment, or a million, at any rate. Then everybody of a timid character and temperament who is always scared to death about somebody whipping us would feel safe. The other is to pursue our traditional policy of conserving the financial resources of the people during times of peace and, when war comes, submit ourselves to the immense strain necessary, with the extravagance of expenditure of blood and capital both necessary, but having accomplished the purpose of keeping the people free during peace times from the burdens of war.

In that event, Mr. President, we do not need this great military establishment. I shall therefore vote for the proposition to reduce the Army to 150,000, and if somebody is bold enough or reckless enough in the present state of intimidation about militaristic affairs, the watchword of preparedness hovering in the air, to move to reduce the Army to 100,000, I shall vote for that.

Mr. President, it is not at all necessary that the American people under their circumstances, geographical and financial, should have the biggest Army in the world, or anything more than a peace establishment nucleus around which can be gathered in times of war a defensive force. The Navy is our first arm of defense, situated as we are, and must always remain so; but that is true whether we act purely upon the defensive or upon the offensive-defensive, which is the best form of the defensive.

All that is true at any time, Mr. President, but it is especially true right now, when the people from the richest to the poorest are burdened with taxes, and with an inflated credit system just about beginning to go through the first processes of deflation, with all the trouble that always accompanies that process, chargeable not to it, but chargeable to the original inflation which was necessary and unavoidable.

When I think of what can be done with money that, in my opinion, is wasted upon 25,000 or 50,000 unnecessary men in the Military Establishment, I wonder why the common people of the country, who are interested in the things which might be done with the money, do not arise and make themselves heard. If you will take the number of acres of land which could be irrigated, the number of acres of land which could be drained, the amount of help which might be extended to the wounded and crippled soldiers from the last war, and if you will devote to those purposes only the amount you can save by this, it will be an immense thing. Then, if you consider it independently of all that, as a process of natural deflation from the present highly inflated prices, expenditures, credits, and circulating medium, you will see that its indirect benefits are simply immense.

More than that, Mr. President; the whole world is in our fix, except that it is more so, if I may use that sort of a bull. It needs an example; it needs an example of courage, of self-confidence, of lack of distrust, and of lack of suspicion, and that we can furnish by saying to all the world that we are brave enough to set the example of disarmament in America. It is true that we are the last Nation which ought to be called upon to set it, because we have sinned less in armament. But it is also true that we are best fitted and best able to set it. We can say to the whole world, "I am willing to trust the peace-loving instincts of the world. I believe that I am able to do it financially, physically, industrially, and otherwise, and I am going to do it."

I picked up this morning's paper and saw where a distinguished military officer said that until we could get some international agreement of some sort to decrease expenditures for Army and Navy, he was not willing to do without a man we now have or a ship we now have appropriated for. What does that mean? It means merely that he has been misled by the idols of his temple, or by the order of which he is a member, the general military spirit all over the world, which says that, "I will take this gun off of my shoulder, or partially down, provided you first take yours partially down," and the minute you say that the other man says "No, I will not move mine until you have moved yours"; and it all winds up, as everything of that sort has wound up during the last half of a century, in more and more and more preparation for cutting one another's throats, and in less and less preparation for peace.

I do not care who first said it—it was not the Father of his Country, as somebody has said—"In time of peace prepare for war," he was a false prophet, a false philosopher, a shortsighted man. In times of peace prepare for greater and better peace. The whole dominance of the English-speaking race in literature, in commerce, on the seas, and industrially, has been owing to the fact that the two great branches of that race constitute the population under the only two Governments that have ever had sense enough to see that the main thing is to conserve the resources of your people during peace times, and take your chances in the sudden emergency of war. You must be able to appeal to the reserve power, and come forth with a nervous energy unexampled anywhere in the world, to meet an emergency; and nothing but a nervous energy can meet it.

I am informed that it costs now \$1,400 per annum, on the average, to keep a soldier in the field, though about that I may be mistaken; but if that be true, you can easily calculate with a pencil and a piece of paper just what you can save for other purposes by cutting off 25,000 men.

Moreover, Mr. President, as the Senator from Idaho has intimated, if you are going to reduce your Army to 175,000, what advantage has that over 150,000, what over 125,000, because here are the two theories, either one of which is logical, and nothing between them is? The one is that you must be on a war footing to whip the world, or anyone in the world that you think by a remote possibility might attack you; the other is to run your chances. You either have to take the part of the bully who goes armed for fear somebody is going to attack him all the time, or of the gentleman who trusts to God to be able to arm himself in time when he meets people.

I do not mean by that the folly that somebody uttered—I shall not name him—about putting a million men in the field between daybreak and sundown, and all that sort of stuff. But I do mean this, and this war has shown it, that with a great, strong, rich people like ourselves or like Great Britain, or like Great Britain and ourselves in alliance with France, you can meet the most efficient and well-prepared military force that the world ever dreamed of, and you can hold it long enough to get your reserves of liberty and democracy and energy into the field and whip it to its knees, but if in the meantime you had kept your people burdened all those 50 years, they could not have done it, they would have had neither the spirit nor the financial ability nor the morale to do it.

It is not at all necessary that these United States should have the biggest Army in the world or the biggest Navy in the world, the biggest fighting force of any nation in the world. It is not at all necessary that we should go around the world with a chip on our shoulders saying, "Strike us, if you dare." They know that they dare not if they can reasonably well help it. The last lunatic who thought of us as not worthy of counting in case of war is now in Holland, and he ought not to be punished, because he was a lunatic. He ought to be put in a lunatic asylum now, not on that account alone but for several other reasons besides. It is a demonstrated fact that he is a man of unsound mind. You and I will not live to see the day when any people will offer an unprovoked insult, much less make an unprovoked attack, upon this great American people, with its great reserve of energy, of wealth, of manhood and of womanhood unparalleled in the history of this world.

Let us have that money for the agricultural classes, for the industrial purposes of the country, for the purposes of deflation, to the extent that its nonexpenditure will deflate, and let us cease to be war mad, because the war is over and peace is the natural condition of mankind, not war. Even amongst the most warlike people there are often 6 to 10 years of peace to 1 of war.

The English-speaking race did not go to the front in the world by force of its language, or by accident, or by physical, mental, or moral superiority. It went to the front because of its superior political sense, its superior capacity for self-government, and in that nothing was more emphasized than the idea of keeping the people unburdened and untaxed in peace times, and trusting to courage and energy and God when war would be provoked, knowing that it would seldom be provoked.

Amongst the wars we have indulged in we have had only one—probably two—that I remember, that were brought on by ourselves—the Spanish-American War and the Mexican War, neither one of them much more than a skirmish. Amongst the real wars, they were wars to which we were provoked by unheard of insult and by a great deal of injury, and what we want to keep in our minds, if we can, is the idea that we are going like gentlemen, not like gunmen in New York, armed all the time, expecting somebody to attack us, and it is up to us of all people in the world to set the world an example of trust and confidence and peace loving.

Mr. McKELLAR. Mr. President, I think the remarks of the Senator from Mississippi [Mr. WILLIAMS] are very timely, and should be carefully considered not only by the Senate and the House but by the people of the United States at this time.

I want to point out the fact, Mr. President, that 175,000 men, while nominally provided in the joint resolution, does not fairly indicate the real number of men we will have during the next year. The average number of men, if the joint resolution for 175,000 be adopted, will be somewhere in the neighborhood of 200,000 or a little more than 200,000 men in the Army for the year. There are now perhaps two hundred and thirty-odd thousand men in the Army, and that number would be reduced month by month or day by day until we would have 175,000. But that number will not be reached until next September, and in the meantime the average number will be over 200,000 for the year, instead of the 175,000 provided for in the appropriation bill.

If the amendment providing for 150,000 men be adopted, it will about average the 175,000. That will be in entire accord and keeping with the views of the Military Affairs Committee and of the Congress when they fixed the number of men at 175,000 in the appropriation bill. The last appropriation bill provided for that.

So that it seems to me that if we really want to fix the number at 175,000, we will have that average number if we adopt the amendment; and I hope the amendment will be agreed to.

Mr. MYERS. Mr. President, as a member of the Senate Committee on Military Affairs, I voted to report this joint resolution, as it now is, favorably to the Senate, and I shall vote for it, as it now is, and thereby vote to reduce the enlistments in the United States Army to 175,000, but no lower.

While I shall vote in the Senate for the passage of this joint resolution, as it now is, I take this occasion to say that I am not at all in sympathy with any of the strictures which have been made in this connection upon the action and judgment of the Secretary of War, made in the course of debate in this body during the last few days, on this joint resolution and other matters as well, before the Senate. I do not believe that the judgment and discretion exercised by the Secretary of War in the premises, under the authority heretofore given him, merit any of the strictures or censure which have been placed upon him in the course of debate.

Congress, when it enacted the existing law for the reorganization of the Army, authorized the Secretary of War in his discretion to procure enlistments in the Army not in excess of 280,000 enlisted men. He was given that discretion, and when he exercised it according to his judgment I do not think he should be the subject of criticism for it. I know that when the Army reorganization bill was reported out of the Senate Committee on Military Affairs and was enacted by Congress there was a general feeling in Congress and throughout the country that the country should have and should maintain in future a considerably larger Army than it had ever had before in time of peace. There was a strong sentiment in favor of a considerably larger Army. There was a strong sentiment in Congress and throughout the country in favor of universal compulsory military training. It was manifested in the Senate by the reporting by the Senate Committee on Military Affairs of a bill which provided for universal compulsory military training, and while that provision was greatly modified before the bill passed the Senate there was something of it left as the bill passed the Senate.

It did not meet with success in the House, but there was a general expectation in Congress in those days that the size of the Army would be maintained at a much higher figure than it had ever been in time of peace. Congress authorized an Army of 280,000 enlisted men. It was known then that the Secretary of War and the President of the United States shared that feeling of Congress, as well as favoring universal compulsory military training, and the plan of reorganization fixed the maximum number of enlisted men at 280,000, I think, in accordance with that sentiment.

Of course, we were engaged in war when the reorganization bill was conceived and was started upon its parliamentary course; since then we have ceased hostilities and a different spirit has come over Congress and, I think, largely over the American people. However, I do not think the Secretary of War should be blamed for exercising his honest judgment, when Congress knew very well what was his honest judgment at the time it gave him the power which that bill conferred upon him. I dare say, too, the judgment of Congress at that time agreed with the judgment of the Secretary of War. Congress gave him discretion and he exercised it in accordance with his well-known



attitude upon such matters. I do not think he is now to be blamed for it.

Although I shall vote for the measure, as it is reported, as an expression of the latest sentiment of Congress on what should be in these times the size of the United States Army, I do not share in any of the criticisms that have been made upon this floor in the last few days upon the judgment of the Secretary of War in this connection. I did not share, either, in any of the criticisms that were sometimes made in Congress upon the official acts of the Secretary of War while we were actively engaged in hostilities with the Central Powers of Europe. I believe the present Secretary of War has made a splendid record in that highly responsible position. When he, in the short space of about 12 months, just one short year or less, had transported to foreign shores in Europe 2,000,000 American soldiers, after having had them drafted, enlisted, drilled, equipped, qualified, and armed, and then put them in action in France, I think he accomplished one of the most wonderful feats that has ever been known in American history or in the history of warfare anywhere in the world. That feat was the surprise and amazement of the world. It astonished our friends and enemies alike, as well as all others. The powers of Germany thought it could not be done. The Entente Powers doubted our ability to do it. When the Secretary of War in one year assembled from raw material 4,000,000 men, gathered from the walks of peace, put them in camps, trained and equipped them for war, made soldiers of them, and sent 2,000,000 of them across the Atlantic Ocean, without the loss of a man, he did a wonderful thing.

I think the action of the Secretary of War in assembling that Army and in getting half of it across the water in one year, together with supplies and munitions and equipment of every character for service in war and food for the men, and getting the men into action, was a brilliant accomplishment that will redound not only to his everlasting credit but to the undying credit, glory, and prestige of the United States. I think the Government is greatly indebted to him for the services he rendered in accomplishing that great feat during the war. It very materially helped to win the war. I believe the record of Newton D. Baker during our war with the Central Powers of Europe is one of the brightest pages in the history of the United States and is one of the most shining examples of efficiency, executive ability, and fidelity to duty that was displayed during our participation in the European war. It stamps him as a great executive and administrative officer. His record is his monument, and it will be a lasting one.

My vote now to express a somewhat changed sentiment of Congress as to the proper size of the Army in time of peace and to limit it now to an enlisted personnel of 175,000 men is not to be taken in any way whatever as an expression of any reflection upon the judgment of the Secretary of War, which I think has been honestly and judiciously exercised and exercised in accordance with the attitude and state of feeling which Congress knew him to possess when it conferred upon him the power to exercise it and shared then, I think, in large measure by Congress. I shall vote for the joint resolution, as reported to the Senate, but I do not favor reducing the size of the Army to anything less than 175,000 enlisted men, the number fixed by the joint resolution as it was reported by the committee.

It has been the general feeling in the Senate, participated in, I am sure, by a majority of the Members of the Senate, that if the United States Government should not upon some terms and conditions go into the world's League of Nations we would have to maintain much larger army and naval forces than we have ever heretofore maintained in times of peace. That has been one of the main arguments in favor of the United States entering the League of Nations. I think it has been accepted as an acknowledged fact, by a large majority of the Members of the Senate, that we should either go into the League of Nations or maintain a much larger Army and Navy than the country has ever before maintained in time of peace. One of the chief arguments in favor of our entering the League of Nations has been that it would enable us to reduce armament and armed forces on land and water. The inference has always been that staying out of the League of Nations would require larger armed forces on our part on land and water.

I have been steadfastly in favor of the United States going into the League of Nations, and I still favor it. I have voted in favor of it every time it has been before the Senate for action. I voted to ratify the peace treaty and League of Nations as sent to the Senate by the President, without any reservations or amendments. In my desire to have it ratified, I voted also to enter with reservations, and finally I voted to accept all of the so-called Lodge reservations and to enter the League of Nations with all of them adopted, rather than to stay out. One of my principal motives in doing so was my firm belief, which I still hold, that it is necessary to go into

the League of Nations in order for us justifiably to reduce our armed forces on land and sea.

I still believe that unless we go into the League of Nations it is incumbent upon us to be better prepared for any eventuality that may occur among the nations of the world than we have ever been; that it is incumbent upon us to maintain a larger Navy and a larger Army than we ever have before in time of peace. We have not entered the League of Nations—and I must say that at present I can see no prospect of this country entering it or entering any association of nations analogous to the existing League of Nations. I hope we may. I would be pleased if we yet should do so, but I do not see any encouragement to believe that we will; and, therefore, until we do get upon a better peace footing with the world, I believe we should be cautious and should proceed gradually in reducing our Army and Navy forces. As things stand at present, I agree with the committee that we should not reduce the enlisted personnel of the United States Army below 175,000, although I am ready to vote to reduce it to that number.

Mr. WALSH of Montana. Mr. President, I congratulate the Senator from Indiana [Mr. NEW] upon the initiation of the attempt to reduce the size of our Army, for the support of which the department is asking appropriations amounting to the enormous aggregate of \$700,000,000. I desire also to congratulate the Senator from Wisconsin [Mr. LENROOT] upon his effort to accomplish a further reduction to 150,000 men.

It is said that 42,000 of our available forces are abroad, 15,000 of them in Germany. If they were to remain there permanently the total available force within continental United States would then be about 108,000 men. Our entire Army prior to 1916 was approximately 100,000 men, of which, as my recollection now is, 25,000 were beyond seas or otherwise unavailable for service within the United States proper. Prior to that time, therefore, there were not to exceed 75,000 to 85,000 men constituting the Army within continental United States.

Assuming even that we continue to maintain 15,000 men in Germany, we should have an Army, under the reduction which it is proposed to accomplish by the amendment of the Senator from Wisconsin, of from 25,000 to 30,000 men greater than we had prior to 1916.

I know of no condition whatever, either internal or external, that calls for the maintenance of more than 25,000 men in excess of the number we found adequate for all purposes prior to 1916.

Mr. NEW. Will the Senator permit an interruption?

Mr. WALSH of Montana. Certainly.

Mr. NEW. I would merely call attention to the fact that prior to 1916 we had a National Guard of 130,000 men. To-day the National Guard is but 70,000. There is a difference of 60,000 men accounted for in that class.

Mr. WALSH of Montana. I appreciate that. We have just been informed by the chairman of the committee that, as is generally known, the National Guard is being recruited and in a few short months will be quite equal in numbers and infinitely stronger in every other way than it was in 1916.

Mr. NEW. I do not desire to trespass too much upon the time of the Senator from Montana, but it is apparent that as the National Guard comes up the Army goes down to meet it, under the joint resolution. As the National Guard is recruited and grows in size, the Army is reduced in size and in about an equal ratio.

Mr. WALSH of Montana. I do not understand that there is any reciprocal arrangement contemplated either by the joint resolution or by the existing law, but if there is we insist that reciprocation shall continue until the reduction to 150,000 is accomplished.

I wish to invite attention for a few moments to exactly what the reduction signifies. It is a little difficult to ascertain with any degree of accuracy what it costs per man of the United States Army, because of course there is a large amount of overhead expense, and there are expenses for fortifications and other things that can not be taken into consideration in that reckoning of the diminution in expenses. But it will be conceded that the items of pay, clothing, and subsistence will be reduced substantially in proportion to the reduction in number of men which is accomplished. I find that for these three items the estimates call for \$126,000,000, \$30,000,000, and \$64,000,000, respectively, \$221,773,310 in the aggregate, for pay, clothing, and subsistence. If, then, the size of the Army is reduced in the proportion of 280,000 to 150,000, or 28 to 15, a saving will be accomplished approximately of \$100,000,000. So the joint resolution before us is practically a proposition to save to the taxpayers of the United States the sum—relatively small, I admit, but substantially considerable—of \$100,000,000.

Mr. WARREN. Mr. President:—

Mr. WALSH of Montana. I yield to the Senator from Wyoming.

Mr. WARREN. I think the Senator from Montana is mistaken in the estimate which he gives. If he will be good enough to give the estimates for pay, clothing, and subsistence separately, so that they may be added together, perhaps the result may be different. I ask what is his valuation of the cost per man?

Mr. WALSH of Montana. I have not undertaken to compute it, but the aggregate is \$221,000,000 for an army of 280,000 men, so that it is a little less than \$1,000 per man.

Mr. WARREN. Those estimates may include other items. The cost of maintaining an enlisted man until the World War was a little less than \$1,000 per man; but even at \$1,000 per man, the aggregate amount saved would be less than half what the Senator has stated.

Mr. WALSH of Montana. Why would it be?

Mr. WARREN. I am figuring on a reduction of 25,000 men.

Mr. WALSH of Montana. I am not speaking about a reduction of 25,000 men; I am speaking of a reduction of the present Army from 280,000 men to 150,000 men.

Mr. WARREN. I understood the Senator to refer to the reduction proposed by the amendment as compared to the original proposition.

Mr. WALSH of Montana. Oh, no; the resolution contemplates a reduction of 100,000 men in round numbers, and the amendment contemplates a reduction of 125,000 men.

Mr. WARREN. I am glad to have my understanding corrected as to that, although I think the Senator from Montana is still considerably above the mark.

Mr. WALSH of Montana. I think not, but I should be very glad to be corrected by the Senator from Wyoming if I am in error. I have taken the figures from the official estimates and I now give the Senator the exact figures. The estimate for pay is \$126,780,619; for clothing, \$30,573,796; and for subsistence, \$64,490,895, for the entire Army on a basis of 280,000 men.

Mr. WARREN. Who is able to state that the estimate referred to was made on the exact basis of an army of 280,000 men?

Mr. WALSH of Montana. If it is not based on an army of 280,000 men, it is certainly based on an army of 237,000 men, and the saving would be all the greater. Then the saving would be in the proportion of 150,000 to 237,000, instead of to 280,000.

Mr. WARREN. The Senator will find that the most correct way is to get at the expense per man per year and multiply that by the number of men.

Mr. WALSH of Montana. That is what I have endeavored to do, except that I have endeavored to exclude the expense of fortifications and other items of that kind that would scarcely affect the question of the expense per man.

Mr. JONES of New Mexico. Mr. President—

Mr. WALSH of Montana. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. I merely wish to make the observation that in reading the report of the committee on the joint resolution I find it is stated, if I recall correctly, that the average saving would be a thousand dollars per man. That is stated in the report which accompanies the joint resolution.

Mr. WADSWORTH. I think no one denies that; but let me remind the Senator from Montana, if he will permit me, that in the items of pay, clothing, and subsistence there are considerable overhead charges which will not be entirely gotten rid of by the reduction of the number of enlisted men.

Mr. WALSH of Montana. The figures are sufficiently accurate for my purpose, and the other figures are also sufficiently accurate, namely, that we shall effect a saving of practically a thousand dollars a man.

Mr. WADSWORTH. That is also based upon the assumption that Congress, following the enactment of the joint resolution, will appropriate \$700,000,000, which it will never do.

Mr. WALSH of Montana. That is the basis upon which the computation is made, nevertheless.

Mr. WADSWORTH. The basis is of no value, because Congress is not going to make the appropriation.

Mr. WALSH of Montana. I desire to say in this connection also that it is of no consequence to me, it is of no persuasive force whatever, that in the year 1916 the Congress deemed it wise to fix the strength of the Army at 220,000 men. At that time we were apprehensive that almost any day we should be drawn into the vortex of war, which day after day and month after month was drawing in various nations of the earth. None of us picked up the newspaper in the morning without trepidation lest something had transpired which brought us

nearer to the catastrophe in which we were eventually involved. Under those circumstances, Mr. President, it was deemed that it would be wise to establish the number of 220,000 men as the strength of our Army. However, who is there to assert that any such condition, or anything approximating it, for that matter, now exists?

I was speaking about the saving that would be accomplished by the reduction which is contemplated in the joint resolution and the amendment. The Senator from Idaho [Mr. BORAH] some time ago introduced a resolution looking to an international agreement between this country, Great Britain, and Japan, the purpose of which was an agreement for the reduction of the naval building programs of each of those three nations by 50 per cent. That resolution, with the spirit of which I am in entire accord, although differing as to exactly the method by which the result is to be attained, met with a very approving response, as I gathered, from the country; and yet that plan, if it were successfully carried out—in other words, if we were able to negotiate the international agreement which the resolution contemplates and if we were able successfully to carry out that agreement—would accomplish a reduction of only \$92,000,000 in our budget for naval expenses. Of the six hundred and odd million dollars estimated for the Navy for the current year, only \$184,000,000 goes to the building program. The successful carrying out of the plan proposed by the Senator from Idaho would therefore result in the saving of practically \$90,000,000; and yet the joint resolution before us would achieve a saving in our expenses in the aggregate of at least \$100,000,000.

Mr. President, I think it can not be asserted that there are any such conditions either internal or external at the present time as would call for the maintenance of an Army greater than 150,000 men or greater than 25,000 men more than we found adequate for all purposes prior to 1916.

I am not alarmed at all at the rumors which occasionally reach our ears of the imminence of a conflict between this country and Japan. I was a delegate to the Democratic national convention which sat in Denver in the year 1908, twelve and one-half years ago. The committee on resolutions of that convention listened for more than two hours to a distinguished gentleman who demanded a great Army and a great Navy, because we were in imminent danger of war with Japan. He exhibited a map of the Pacific showing the dangers as he saw them, and predicted at the close of his address that within two years we would be at war with that Empire. That was more than 12 years ago; but we have gotten along on reasonably peaceful terms with Japan since, and I trust, and have no doubt, that we shall continue to do so for 12 years more. I am not disturbed particularly about any danger to this country from that source, and my conviction about the matter has been confirmed by the very positive opinions given to me by officers of our Army and Navy.

Mr. President, I trust that the joint resolution will be passed and that the amendment offered by the Senator from Wisconsin [Mr. LENROO] will be agreed to. The adoption of such a course by the Congress of the United States would set a very salutary example to the impoverished nations of Europe which seem to persist in going armed to the teeth, while we are importuned almost daily for aid for the citizens and subjects of those countries rendered destitute and helpless by the war. Such a course would be an added and emphatic assurance of good faith to the nations of the earth in connection with any proposition that we might make or accept looking to an international agreement for the reduction of armaments which bear so heavily upon the labor of the world.

Mr. WADSWORTH. Mr. President, there is one matter to which I desire to refer to in connection with the remarks made by the Senator from Montana. He gave the strength of the Army as of 1916; but I desire to call his attention to the fact that at that time the Philippine Scouts were not included in the strength of the Regular Army, whereas to-day they are. That makes a difference of 8,000 men in that instance. Furthermore, at that time we had no Air Service whatever, while to-day—and I think no one will charge that we have an excessive program for the Air Service, for we are the most backward nation in that respect of any of the great nations—

Mr. JONES of New Mexico. Mr. President, as a matter of information upon the point which the Senator has just raised—and I confess my total ignorance of the subject—I should like to inquire if the Philippine Scouts, which, as the Senator has said, are estimated now as a part of the United States Army, are supported at the expense of the United States as distinguished from the Philippine Islands?

Mr. WADSWORTH. Indeed they are; under the recent act reorganizing the Army they are now a part of the Regular Army and are considered to be such. They were not included as a



part of the Regular Army in the strength as of 1916 given by the Senator from Montana a moment ago; they were carried separately at that time.

Mr. WALSH of Montana. Mr. President—

Mr. WADSWORTH. I yield.

Mr. WALSH of Montana. I wish to give the Senator the exact figures, with his kind permission.

Mr. WADSWORTH. Certainly.

Mr. WALSH of Montana. In 1915 the Army, exclusive of the Philippine Scouts, numbered 95,765 men. There were then of the Philippine Scouts 5,430, making practically 100,000 men. In 1916 the Army, without the Philippine Scouts, numbered 97,013 men; there were of the Philippine Scouts 5,603, making an aggregate of about 102,000.

Mr. WADSWORTH. I understood the Senator to say that the Regular Army was in the neighborhood of 100,000 in 1916, whereas it turns out that we had 97,000 men in the Regular Army in that year, exclusive of the Philippine Scouts. To-day the figures of the strength of the Army include the Philippine Scouts. So when we shall reduce the Army to 175,000 men it means that that number shall include the Philippine Scouts; so that if we were operating upon the basis of the computation for 1916, instead of 175,000 men the total would be 167,000 men. That makes a difference of 8,000 men in our computation.

Since 1916 it has seemed necessary for the United States to have an Air Service. We had none in 1916. Our performance in the early part of the World War in respect to the Air Service was disgraceful and cost this country a billion dollars—

Mr. LA FOLLETTE. And is still disgraceful.

Mr. WADSWORTH. And then we had nothing of which we could be very proud except the personnel of the Air Service. The Army reorganization act laid down an exceedingly modest program for the Air Service, the most modest of any country in the world. To-day there are 9,600 men in the Air Service. That was an element not included in the computations of 1916 at all. Add 9,600 to the 8,000 and we have 17,600 men, which were not computed for in the figures of 1916.

In 1916 we had no Chemical Warfare Service. The Army reorganization act certainly laid down a most modest program for the Chemical Warfare Service, especially when we remember that 30 per cent of all the casualties in the American Expeditionary Forces were gas casualties. The Army reorganization provides 1,200 men for the Chemical Warfare Service of the entire United States Army. If the amendment to the resolution should be adopted reducing the Army to 150,000 men, we would have less than 700 soldiers in the United States trained in the use of chemical warfare gas. It is getting pretty serious, Senators, when we cut things down in that way. To-day there are 1,100 men actually in the Chemical Warfare Service, which is very close to the authorized strength of 1,200 men, and, adding 1,200 to the 17,600 already referred to, we have 18,800 additional.

Mr. JONES of New Mexico. Mr. President, may I inquire of the Senator if there is anything in the pending joint resolution which specifies the proportion in which the men in the different services shall be reduced?

Mr. WADSWORTH. Only indirectly.

Mr. JONES of New Mexico. Do I understand that if this joint resolution is passed reducing the Army from the estimated basis of 280,000 to 175,000, the eleven hundred men now in the Chemical Warfare Service will be reduced proportionately?

Mr. WADSWORTH. That is the estimate of the War Department, because they have to estimate with the men actually in the Chemical Warfare Service now and note the coming expiration of their enlistments; and the War Department's estimate on chemical warfare is—I have them all here—that there are 1,100 men in the service to-day; the estimated losses from all causes between now and July 31 will be 928 in that one service; they estimate that there will be 189 reenlistments, so that the strength will be 361 if this resolution goes through unamended.

Mr. JONES of New Mexico. Upon what theory, then, is the Senator willing to favor this joint resolution at all?

Mr. WADSWORTH. I have an amendment which I am going to propose when this one is disposed of, but I can not very well propose it until this one is disposed of.

Mr. JONES of New Mexico. Then, may it not be suggested that the amendment will apply also to the reduction from 175,000 to 150,000?

Mr. WADSWORTH. It would not apply. I would have to change the figures. I would have to change the percentages. You know, Mr. President, it is awfully easy to stand here and say, "Let us cut off 25,000 men"; but where are you going to cut them off with the least harm?

Mr. JONES of New Mexico. Of course, it is impossible to discuss what the Senator has in mind until his amendment is presented to the Senate; but I take it, when his amendment is presented, that those of us who favor a reduction from 175,000 to 150,000 may be able to suggest an amendment to the amendment which will not reduce these special forces beyond the point of efficiency.

Mr. WADSWORTH. That is the trouble. The amendment which I propose to introduce can not be introduced and considered by the Senate until we know what percentage of reduction the entire Army is to be subjected to. There is one fault with this joint resolution as it now stands and as it came from the committee, and that is that being applied to the Army as a whole it does not take into account the fact that there are certain branches of the service, notably the combat branches, which are to-day far below strength, while some of the non-combatant branches are practically full; and you can not very well transfer men from the noncombatant branches to the combat branches without breaking faith with them, because when they enlisted they chose the branch of the service that they wanted, and they have started their vocational training in that branch. I am going to offer an amendment to provide that during the period in which the Army is being reduced to such enlisted strength sufficient enlistments may be made in any branch of the Army to bring such branch to not more than a certain percentage of the number prescribed therefor in the Army reorganization act.

If the number is 175,000 for the whole Army, then my percentage would be 62 per cent. If you cut it down to 150,000, my percentage would have to be less. Taking the Chemical Warfare Service, from the best estimate that I could make from these figures from the War Department, if we cut down the Army to 150,000 and adopted my amendment, with a percentage allowed of the kind I have described, the Chemical Warfare Service would end up with about 650 men. That would be the entire strength of the United States in that most important branch of warfare.

Mr. JONES of New Mexico. Mr. President, I should like to inquire of the Senator if the committee has considered the advisability of suggesting some other plan than a percentage plan? Is it not feasible to specify the number to which the Chemical Warfare Service may be reduced, and the number of these other services? I am not a member of the committee, and, of course, I am not acquainted with the details.

Mr. WADSWORTH. That would involve a reexamination and rewriting of the Army reorganization act. We have not attempted in this joint resolution to revamp the whole Army in its internal organization. If we should attempt that we would never get it through at this session, because it brings up the tremendous question of the tactical organization of the whole force.

Mr. JONES of New Mexico. If the chairman of the committee has some idea as to the extent to which a reduction might be made in the Chemical Service, and, I take it, other services, might not the Senate be permitted to have the benefit of the judgment of the Senator and others who have made a special study of those subjects, so that we may specify the reduction which shall be made in the Chemical Service and special services in numbers rather than by percentages?

Mr. WADSWORTH. The percentage basis is the only method by which you can secure a properly balanced force throughout all the services. It does not do to leave the Quartermaster Corps filled to the maximum authorized strength and then say that the Chemical Warfare Service shall not be at the maximum authorized strength, but shall be reduced to a certain percentage. It so happens that the Quartermaster Corps is at maximum strength now. My proposal is that as enlistments expire no more men shall be enlisted in the Quartermaster Corps until it has been reduced to 62 per cent of its authorized strength; that the Chemical Warfare Service shall not be reduced to less than 62 per cent of its authorized strength; that the Infantry, which to-day is far below strength, shall be permitted to increase until it reaches 62 per cent of its authorized strength. Now, 62 per cent of the authorized strength in each branch, it so happens, makes just 175,000 men for the whole Army.

Mr. JONES of New Mexico. And does the Senator believe that if we called that 60 per cent instead of 62 per cent it would make any material difference?

Mr. WADSWORTH. It would make just the difference of 2 per cent. I intended to offer the proposal with the 62 per cent in order to make it conform with the joint resolution asking for a reduction to 175,000. If, however, the Senate votes to reduce it to 150,000, then it will be a percentage considerably less than 62 per cent.

As to the Air Service, there are several things to consider. I do not know that we would have any Air Service worthy of the name.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from New York yield to the Senator from Montana?

Mr. WADSWORTH. I yield.

Mr. WALSH of Montana. As the result of some figures hastily made and which are not entirely accurate, but are substantially so, I find that if the Chemical Warfare Service consists of 1,200 men and the Army is reduced to 175,000 instead of 280,000, with a proportional reduction in the Chemical Warfare Service we will then have 750 men in that service.

Mr. WADSWORTH. That is correct.

Mr. WALSH of Montana. If the Army is reduced to 150,000 men we will have 677 men in the Chemical Warfare Service. So that the matter in controversy between us resolves itself into a question of whether we shall have 750 men in the Chemical Warfare Service or 677 men in the Chemical Warfare Service.

Mr. WADSWORTH. There is a great deal more than that little bit of difference in the men. If we really want to go into the discussion of what this country needs, I should take the stand that 750 men are not enough in the Chemical Warfare Service. I am willing to go down to 175,000 men for the entire Army; but if I were given my choice and were put in a position where in this short session of Congress I could write a temporary statute saying in which branch the reduction should be made, I would not reduce the Chemical Warfare branch by one man below 1,200 men. Now, 750 is just a little bit better than 677; therefore I prefer it.

Now we will take the Air Service. That is a branch that we did not possess in 1916. It may be that some people think we should not have one. What we have is little enough right now. There are 9,600 enlisted men in the Air Service to-day. The authorized strength of the Air Service is 16,000. The chief of the Air Service reports that the strength which he has now, and which is composed largely of mechanics, mechanicians, electricians, and other technical men charged with the maintenance, upkeep, and repair of property, is not sufficient to take care of the property he has on hand, let alone training. The property which the Air Service has under its charge is worth \$450,000,000. The joint resolution which we propose would leave the Air Service about where it is. It would leave it approximately where it is for a time, but then they would commence to lose men out of it, and they would lose 2,000 men out of the 9,600 by July 31. That begins to be a pretty serious loss. They would lose more than 2,000 eventually if the joint resolution went through reducing the whole Army to 150,000. If my amendment is adopted, and the Senate retains 175,000 men, the Air Service would eventually have 10,000 men, 62 per cent of its maximum authorized strength. That is all the men we would have, and I do not dare go any lower.

There may be Senators who would say: "Scrap it; we do not care whether we have an Air Service worthy of the name or not." As a citizen of this country, I can not agree to that contention. I have seen enough money, hundreds of millions of dollars, thrown away by reason of our utter unpreparedness in this matter of the Air Service; and when some one says to me that they could go below 10,000 men, I say it is not fair to the interests of the United States to let the Army Air Service be reduced below that figure. That and the Navy Air Service are about the only air activities we have; and we are infinitely behind every other nation, even in the commercial field.

I may remark that in 1916 we had no Finance Service. Of course, that is a very small item. We only allowed 240 enlisted men in the Finance Service in the Army reorganization act, but still that is a little bit that counts.

Then, Mr. President, since 1916 the Congress itself has enacted statutes to the effect that to every university or college or high school which offers a unit composed of at least 100 students who have volunteered to take a course of military training during a certain period set forth under regulations it is the duty of the War Department to send officers and non-commissioned officers to those universities and colleges and high schools to take charge of those units. There are some thousand officers and men in that work now, and there are not enough to-day to meet the demand which the universities, colleges, and high schools are making. Of course, if we go on reducing below the 175,000 we shall have to withdraw those men; that is sure. Instead of being able to fill the new demands which the Congress has said shall be filled we will not only fail to fill them but we shall in most cases withdraw the ones we already have in that service.

Mr. President, another thing that Congress by statute has provided for is vocational training in the Army. Of course, that takes personnel. You can not do it without employing personnel, and even with 175,000 we shall have to stop the vocational training in many branches of the trades. If we go to 150,000, we shall have to stop nearly all of them or else strip our overseas garrisons. That is the only alternative. If the Congress will repeal the vocational training legislation and repeal the Reserve Officers' Training Corps provision, the Reserve Officers' Training Corps, which has been established in accordance with the laws of Congress in the schools and colleges, then we shall save that much personnel. But we have undertaken these obligations and we must fulfill them or we break faith with the people who have relied upon us. Then if the Congress does not want the new Air Service, we can save 10,000 there. If it does not want the Philippine Scouts to be counted in among the Regulars, as we do to-day, we will save 8,000 men in the computation of 1916. I merely bring these questions to the attention of the Senate to show that the Army to-day is not the Army of 1916.

Mr. PHELAN. Mr. President, I am very much interested in this subject, and I only desire to ask the Senator in charge of the joint resolution some questions for information. He has partly answered what I had in mind, and that is the degree of preparedness which we have by statute established.

As I understand it, any school or college or university can apply for instructors from the Regular Army, and that to a considerable extent that privilege is being enjoyed. I am in favor of a larger rather than a smaller Army, because I appreciate more than my colleagues appear to do the danger that still exists in the world and the far-flung line of the United States. But I wanted to know what preparation we were making. There was much talk, not so very long ago, in favor of universal training. Has it simmered down merely to the training of our young men voluntarily in the schools and universities and to vocational training?

Mr. WADSWORTH. I beg the Senator's pardon. I did not hear the question.

Mr. PHELAN. For information, I am trying to ascertain to what extent we, as provided by Congress, are preparing the youth of the land for the contingency of war.

Mr. WADSWORTH. That is quite a question, Mr. President.

Mr. PHELAN. I suggested, following the Senator's remarks, that the universities and schools may now call upon the department for instructors, and then there is vocational training. Is that all?

Mr. WADSWORTH. The vocational training is carried on inside the Army itself. The instruction in the schools and universities, of course, is done under the provision which authorized the organization of the Reserve Officers' Training Corps, commonly known as the R. O. T. C. When our bill was under consideration last spring, if I recollect the figures correctly, 300 universities, colleges, and high schools were then applicants for R. O. T. C. benefits. In order to secure the assistance of the Regular Army and the equipment which may be issued to these boys and young men, they must present a unit of at least 100 boys who undertake to take the training as a part of their college or school course, and the officer is sent there. Very often in the large cities and in the large universities sergeants and corporals, enlisted men, in other words, of the Regular Army, are sent along to help in the training. It takes a lot of personnel, and it is only beginning. My information is that the number has grown away beyond 300, and if it continues at the present rate it will not be long before a thousand high schools, colleges, universities, and technical schools all over the country will be asking this assistance. That is merely an estimate.

Mr. WALSH of Montana. With the consent of the Senator from California, I should like to inquire of the Senator from New York if it is not a fact that retired officers are usually detailed for service of that character?

Mr. WADSWORTH. They are eligible for it; but only with their consent.

Mr. WALSH of Montana. They can be detailed?

Mr. WADSWORTH. With their consent. Some of them are detailed.

Mr. WALSH of Montana. Let me inquire, also, whether they are very eager to accept assignments of that kind?

Mr. WADSWORTH. Some are and some are not. I have heard of some who are very eager to. I have heard of others who do not want to at all. In any event, that does not affect the number of enlisted men.

Mr. PHELAN. I was going to ask, if assigned for that purpose they are not enumerated in the 175,000?

Mr. WADSWORTH. No; they are not in the 175,000 men.



Mr. PHELAN. What provision is made for their compensation? Do they receive regular officers' pay when they are detailed?

Mr. WADSWORTH. They receive active pay when they are on active duty.

Mr. PHELAN. Is there a special appropriation for that purpose?

Mr. WADSWORTH. There is.

Mr. NEW. Noncommissioned officers, I am informed, are included in the 175,000.

Mr. WADSWORTH. Reserve Officers' Training Corps work is exceedingly interesting, and I wish I had with me the figures showing the number of young men and boys who are taking it during this scholastic year. I think the Senator would be surprised at the number.

Mr. NEW. That answers my question. That is the extent of preparedness which we are making for eventual war?

Mr. WADSWORTH. No; there are two others. The National Guard is being built up in a much more healthy relation to the general military policy of the country than ever before, and on a much more secure basis, so far as the guardsmen themselves are concerned, and in a much more intimate relation with the Regulars.

Mr. PHELAN. There is no provision for training outside of these?

Mr. WADSWORTH. There is. There is a provision in the Army reorganization act which authorizes the Secretary of War, during any time in the year, to conduct training camps, which civilians may attend, in accordance with regulations promulgated by the Secretary of War. But, of course, that is limited strictly and controlled strictly by a specific appropriation made by Congress for that purpose. But the skeleton is in the act, and the act also provides, as a concomitant for that, for the organization of a force known as the organized reserves, which is to be the last line in the military program.

Mr. SMOOT. I will say to the Senator from California that perhaps the amount of appropriation will give him some idea of the work that has been done along educational lines in the War Department.

The appropriations which were actually made for the fiscal year ending June 30, 1920, for the War Department for educational purposes are as follows:

Vocational training of soldiers under the act of July 11, 1919, \$2,000,000.

United States Military Academy, act of March 4, 1919, \$2,277,932.20.

United States service schools, act of July 11, 1919, \$75,000.

Or a total for the War Department alone of \$4,352,932.20.

Then the Navy has an appropriation for similar educational purposes under the Navy Department of \$2,632,646.60.

I might add that the appropriations made for that same year for educational purposes in all of the departments of the Government amounted to \$65,796,410.63. Yet you hear it stated from one end of the country to the other that the Government of the United States is doing nothing toward educational work.

I thought this would be a good time to put this matter into the Record. I had it tabulated to be used at another time, when the Army appropriation bill comes before the Senate.

Mr. PHELAN. Mr. President, continuing, I think it is an additional argument in favor of a larger number rather than the smaller number that in the discussion before the Military Affairs Committee on the subject of establishing arsenals it was developed that there was much prudence in establishing arsenals in different parts of the country, in order to meet in the event of war the necessities of the service. The same argument would apply to having large garrisons in different parts of the country, because our communications could be very easily interrupted in case of war. We could solve the transportation question by having large bodies, say, on the two seaboards, the Atlantic and the Pacific. With a larger Army we could well afford, as with a larger fleet, to have a large force upon the Pacific, which is a danger point, as well as on the Atlantic. Without such provision we expose ourselves to a very grave danger, because the enemy is not accustomed to give notice when he strikes.

During the war we had to take the garrison away from "the key of the Pacific," the Hawaiian Islands, and the ridiculous situation occurred of taking in the National Guard, which was largely recruited by Japanese, who owe, as you know, dual allegiance, one to the Emperor and one to our Uncle Sam. They can elect, I believe, up to the time they are 16 years of age; otherwise they are Japanese nationals in the eyes of Japan. But it is a perfectly absurd proposition to have "the key of

the Pacific," the great strategic naval base, garrisoned by men of questionable loyalty or otherwise in insufficient number. There should be great garrisons in Hawaii and upon the Pacific coast, and any diminution of the number of our already skeleton Army, in my judgment, would be a great mistake of policy.

Notwithstanding what some gentlemen have said, I believe that there are warlike nations upon the Pacific who have dreamed of empire, very much like the German high command. In fact, they have had their schooling from Germany. Their methods, as well as their ideals, are the same, and there is no use blinding ourselves to that fact.

Therefore we must have a very strong Navy until that danger is passed, and we must have a strong Army to garrison our outlying possessions and to defend the coasts, because military strategists have shown that there could be landings made upon our exposed coasts without great difficulty. The need of coast-defense guns is well known, and they have to be adequately manned.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Florida?

Mr. PHELAN. I yield.

Mr. FLETCHER. May I interrupt the Senator just to suggest at that point that one reason why the department wanted 280,000 men was to strengthen the garrison of Hawaii and put a larger force in Panama and to protect the coast? If you reduce this to 175,000, you destroy all possibility of strengthening, and you weaken the position. I think the Senator is right about it.

Mr. PHELAN. Then it resolves itself into a question of whether we shall have simple faith in people who are supposedly hostile, or whether we shall arm ourselves against the danger of aggression. In the interest of peace, I say we should strengthen ourselves, because it is the only assurance we will have that we may not be attacked. Provocation may be caused inadvertently at any time which would give justification, in the eyes of the enemy, to strike, and it would take us years to recover our position. The only assurance of peace, I believe, so long as war is still discussed in the world and as long as human nature endures, is to be strong enough to assert your rights and to maintain your position.

If disarmament comes, it will be a millennial condition, and we should join in it eagerly. Although we can best afford to support an army and a navy, we are the least disposed to fight, and the world ought to be informed on that point. But I doubt very much, in view of all of the discussions in this Chamber, whether there is any disposition upon the part of the country to resort wholly to peaceful methods, by leagues of nations or otherwise, to settle the disputes which naturally must arise between nations. I would like to see it, but I have not the faith. "Lord, I believe; help Thou my unbelief."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin [Mr. LENROOT].

Mr. BORAH. We do not want to vote on it without a quorum.

Mr. NEW. The yeas and nays will develop the presence of a quorum.

Mr. McKELLAR. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair is obliged to lay before the Senate the unfinished business. It will be stated.

The READING CLERK. A bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes.

Mr. NEW. Mr. President, I very earnestly hope that the Senator in charge of the bill which is the unfinished business will consent to its being temporarily laid aside while the Senate concludes consideration of this very important subject. I think it is certainly apparent that we have about exhausted discussion of the joint resolution and that we can reach a conclusion of it within a very few minutes.

The PRESIDING OFFICER. Is there objection to laying aside the unfinished business?

Mr. GRONNA. Mr. President—

Mr. NEW. In furtherance of what I have requested, I merely wish to call attention to the fact that on January 10 the Army enlisted 2,420 men. At the rate of \$1,000 per year per man, which has been developed here as the average cost, it has cost

the Government \$2,420,000 by not having had the consideration of the joint resolution completed before the 10th day of January. Every day that goes by, with the War Department enlisting men at that rate, costs the Government just that much money. It is, I think, most important that we should conclude the consideration of the joint resolution.

Mr. GRONNA. Mr. President, when I rose I did not happen to see in the Chamber the Senator from South Carolina [Mr. SMITH], who is in charge of the bill, but I see that he is now here.

I was about to observe that if the joint resolution could be disposed of in a short time, I, personally, would have no objection to the request of the Senator from Indiana; but I am quite sure that there will be further extended debate on the joint resolution, and for that reason I prefer to go on with the unfinished business, because I hope that we can dispose of it to-day.

Mr. WADSWORTH. Mr. President, in view of the objection and in view of the constant drain that is coming upon the United States Treasury in this matter, I move that the Senate proceed to the consideration of Senate joint resolution 236, introduced by the Senator from Indiana [Mr. New] and reported by him from the Committee on Military Affairs.

Mr. UNDERWOOD. Mr. President, I suppose we may as well recognize the parliamentary situation as it exists and vote on the motion which has just been made with a thorough understanding of it. There are some of us who have been very anxious for many days to get a vote on the nitrate bill. At one time a motion was made to recommit it. Now, the joint resolution reducing the number of enlisted men of the Army has been brought before the Senate during the morning hour up to the point of 2 o'clock, and the motion now made to substitute the joint resolution for the nitrate bill, of course, is in order.

Although I do not question that Senators who advocate the joint resolution are perfectly sincere in their advocacy of it, I also clearly recognize the fact that they are adopting one of the modes of setting aside and disposing of the nitrate bill, a bill that the great farming interests of the country desire to have at least carefully considered and that a fair vote shall be had upon it at the end of the debate. I hope that we may reach that vote to-day. If we do, there will be no trouble in taking up the joint resolution which has occupied the morning hour. But, as we have to decide the question, I suppose we might as well vote on it now. However, I wish to say this much for the Record, that we are not misled by the motion into not recognizing that it is an effort to destroy the pending nitrate bill.

On the motion of the Senator from New York, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WADSWORTH. The nitrate bill is a proposal to spend money. That is the condition that confronts us. Some of us think it wise and some do not. The joint resolution is an effort to save money to the taxpayers of the country. Men are coming into the Army at the rate of approximately 2,000 a day, and that means \$2,000,000 a day which can be saved every day we stop that enlistment. I appeal to the Senate to do something to show its regard for the Treasury of the United States and to have this recruiting stopped. We will save approximately \$2,000,000 a day by so doing.

Mr. GRONNA. I realize the force of the argument of the Senator from New York, but is it not fair to assume that the joint resolution was pending before the Committee on Military Affairs for quite a number of days?

Mr. WADSWORTH. It was introduced about 10 days ago and reported out by the first committee meeting after its introduction. The Senator from Indiana [Mr. New] then moved to take it up in the first morning hour that occurred thereafter, and we have pressed it only on two occasions in two morning hours. We were just at the point of having a roll call upon the amendment proposed by the Senator from Wisconsin [Mr. LENROO] on the matter of reduction to 150,000 enlisted men when the hour of 2 o'clock arrived, and the Senator in charge of the nitrate bill refused to let us vote.

Mr. UNDERWOOD. Certainly; why should we not do so? I did not make the objection myself, but I see nothing remarkable about it. The unfinished business is supposed to take its place at 2 o'clock.

Mr. WADSWORTH. We asked unanimous consent to lay it temporarily aside until we could dispose of the pending amendment, and that consent was refused.

Mr. UNDERWOOD. The Senator who interposed the objection stated that he would have no objection if he thought it meant an immediate vote, but realizing that after the amend-

ment was disposed of there would be more debate occupying the time of the bill which, according to the order of the Senate, had the right to consideration after 2 o'clock, he objected. If Senators wish to use this method, which is parliamentarily entirely proper, of disposing of the pending bill, to which my friend from New York is opposed, it is perfectly all right. If they have a majority to accomplish that result, we will accept it, but I desire the Record to show that this is an effort to displace the nitrate bill.

Mr. JONES of New Mexico. Mr. President, I hope that some arrangement may be made whereby a vote may be had on the joint resolution. I do not believe Senators desire to consume any time in further debating the joint resolution, and I hope it is not the intention to displace the bill which has been pending for some days as the unfinished business.

I should like to suggest that, if it is possible to do so, there be a unanimous-consent agreement that the so-called nitrate bill may be temporarily laid aside, say until a given hour, so that a vote may be had upon the joint resolution which was pending before the hour of 2 o'clock.

For one, I feel that the joint resolution should pass; I feel that it should pass promptly, and I should regret to be called upon to vote in this way to prevent the passage of it. I hope that some understanding may be arrived at whereby the joint resolution may be speedily disposed of and yet not displace the so-called nitrate bill, which is the unfinished business. It appears from the statement of the Senator from New York [Mr. WADSWORTH] that he asked unanimous consent that we might proceed a little further with the joint resolution. It seems to me that that was a reasonable request under all the circumstances, and I hope the request may be renewed and that it may be granted.

The PRESIDING OFFICER. Does the Senator from New York insist upon his motion?

Mr. GRONNA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll. The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gronna	McNary	Smith, S. C.
Bail	Hale	Moses	Smoot
Beckham	Harris	Myers	Spencer
Borah	Harrison	Nelson	Stanley
Caldier	Hedlin	New	Sutherland
Capper	Johnson, Calif.	Nugent	Swanson
Culberson	Johnson, S. Dak.	Overman	Townsend
Curtis	Jones, N. Mex.	Page	Trammell
Dial	Jones, Wash.	Phelan	Underwood
Dillingham	Kellogg	Phipps	Wadsworth
Edge	Kenyon	Poin Dexter	Walsh, Mass.
Fernald	Keyes	Ransdell	Walsh, Mont.
Fletcher	Knox	Robinson	Warren
France	La Follette	Sheppard	Welcott
Gerry	McCumber	Simmons	
Glass	McKellar	Smith, Ga.	

The PRESIDING OFFICER. Sixty-two Senators have answered to their names. There is a quorum of the Senate present.

Mr. GRONNA. Mr. President, I am as anxious as any Senator can be to dispose of the joint resolution of the Senator from Indiana [Mr. New] and also the pending unfinished business. If we can have an understanding to get a vote on the unfinished business at any time this afternoon, I certainly have no objection to temporarily laying it aside. It is possible it may not take as much time as I had anticipated, but Senators have stated to me that considerable debate will be had on the resolution.

Mr. McKELLAR. Will the Senator from North Dakota yield to me?

Mr. GRONNA. I yield.

Mr. McKELLAR. In the suggestion of the Senator from New York a while ago that we are losing money by not passing the joint resolution I very heartily concur, but I will say to him that I am absolutely sure that if he would accept the amendment which has been offered by the Senator from Wisconsin [Mr. LENROO] to the joint resolution, to reduce the size of the Army to 150,000 men, we should not only save more money but we could pass the joint resolution instantly. I do not believe it would take two minutes to pass the joint resolution if the Senator from New York would accept the amendment which has been offered by the Senator from Wisconsin.

Mr. WADSWORTH. The Senator from Tennessee could not very well expect me to do a thing of that kind. He has heard me here on the floor express my strenuous opposition to the amendment of the Senator from Wisconsin. I can not surrender my convictions on it. I think it is dangerous to reduce the strength of the Army down to 150,000 men. I can not consent to do any such thing as that.



Mr. UNDERWOOD. Let me ask the Senator from New York a question. Of course, the Senator naturally wants a vote on the joint resolution to reduce the size of the Army. Is the Senator willing that we shall proceed at once to vote on that joint resolution and all amendments thereto without further debate?

Mr. WADSWORTH. Mr. President, in perfect good faith I have to answer that question in the negative. I have already said something to the Senate about an amendment which I am going to offer when the amendment of the Senator from Wisconsin shall have been disposed of. I should have to explain the amendment in part at least, and I can not guarantee that Senators will not wish to ask questions or to discuss the amendment. I have nothing more to say on the amendment of the Senator from Wisconsin proposing to reduce the strength of the Army to 150,000 men. I have taken my seat; the yeas and nays have been ordered upon the amendment, and could have been had if unanimous consent had been given by the Senator in charge of the nitrate bill that it be temporarily laid aside. That is all I have in mind.

Mr. UNDERWOOD. I should like to ask the Senator from New York if the Senate is willing to vote on the pending bill, is the Senator from New York willing to delay the further consideration of the military joint resolution until to-morrow?

Mr. WADSWORTH. No; I want to get the joint resolution through and save money.

Mr. UNDERWOOD. Then it is apparent, as I said in the beginning, that the purpose is to delay the nitrate bill or to ultimately displace it with the joint resolution. I think the nitrate bill has been very thoroughly discussed; I should like to see it passed, but I know that I can not always have my way about matters and it does not disturb me when I do not, although I regret the situation. If a majority of the Senate have made up their minds that by an indirect vote they are going to put the nitrate bill to sleep, why, let us find it out. I think, therefore, we had better have a vote on the motion of the Senator from New York to substitute the joint resolution for the nitrate bill.

The PRESIDING OFFICER. The Senator from New York [Mr. WADSWORTH] has moved that the Senate proceed to the consideration of Senate joint resolution 236. The Senator from Tennessee [Mr. McKELLAR] has demanded the yeas and nays and they have been ordered. If there be no further debate, the Secretary will call the roll.

Mr. UNDERWOOD. The question is on the motion to substitute the joint resolution for the nitrate bill?

The PRESIDING OFFICER. It is on that motion. Is there any further debate?

Mr. WADSWORTH. Will the Chair again state the question?

The PRESIDING OFFICER. If the Chair is correct, the question is on the motion of the Senator from New York [Mr. WADSWORTH] that the Senate proceed to the consideration of Senate joint resolution 236.

Mr. UNDERWOOD. Which, if agreed to, will displace the nitrate bill?

The PRESIDING OFFICER. Which, of course, if the motion were agreed to, would have the effect of displacing the nitrate bill.

The reading clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. SHERMAN] which I transfer to the Senator from Arkansas [Mr. KIRBY], and will vote. I vote "nay."

Mr. KNOX (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. I am unable to secure a transfer of that pair, and, therefore, withhold my vote.

Mr. CURTIS (when Mr. LENROOT's name was called). I am requested to announce the absence of the Senator from Wisconsin [Mr. LENROOT]. He is paired with the Senator from Tennessee [Mr. SHIELDS].

Mr. MOSES (when his name was called). I have a general pair with the Senator from Louisiana [Mr. GAY]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. GERRY (when the name of Mr. SMITH of Georgia was called). I desire to announce the absence of the Senator from Georgia [Mr. SMITH]. He is paired with the Senator from Massachusetts [Mr. LODGE].

Mr. WALSH of Montana (when his name was called). I am paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. Being unable to secure a transfer of that pair, I withhold my vote.

Mr. NEW (when Mr. WATSON's name was called). I announce the absence of my colleague [Mr. WATSON] on account

of illness. He is paired with the Senator from Delaware [Mr. WOLCOTT]. If present and permitted to vote, my colleague would vote "yea."

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Pennsylvania [Mr. PENROSE] to the Senator from Missouri [Mr. REED] and vote "nay."

Mr. WOLCOTT (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. WATSON]. If he were present, I understand from the announcement which has been made that he would vote differently from the way I intend to vote. I therefore transfer my pair with him to the Senator from Nevada [Mr. PITTMAN] and vote "nay."

The roll call was concluded.

Mr. EDGE (after having voted in the affirmative). I have a general pair with the Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the Senator from Utah [Mr. KING] and permit my vote to stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Nebraska [Mr. HITCHCOCK];

The Senator from Iowa [Mr. CUMMINS] with the Senator from Ohio [Mr. POMERENE];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Arizona [Mr. SMITH];

The Senator from New Mexico [Mr. FALL] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Illinois [Mr. McCORMICK] with the Senator from Nevada [Mr. HENDERSON].

The result was announced—yeas 29, nays 34, as follows:

#### YEAS—29.

Ball	France	McLean	Sterling
Borah	Gore	Nelson	Sutherland
Calder	Hale	New	Townsend
Colt	Johnson, Calif.	Page	Wadsworth
Curtis	Jones, Wash.	Phipps	Warren
Dillingham	Kellogg	Poinexter	
Edge	Kenyon	Smoot	
Fernald	Keyes	Spencer	

#### NAYS—34

Ashurst	Harris	Nugent	Stanley
Beckham	Harrison	Overman	Swanson
Capper	Heflin	Phelan	Trammell
Culberson	Johnson, S. Dak.	Ransdell	Underwood
Dial	Jones, N. Mex.	Robinson	Walsh, Mass.
Fletcher	La Follette	Sheppard	Williams
Gerry	McKellar	Simmons	Wolcott
Glass	McNary	Smith, Md.	
Gronna	Myers	Smith, S. C.	

#### NOT VOTING—33.

Brandegge	Hitchcock	Moses	Shields
Chamberlain	Kendrick	Newberry	Smith, Ariz.
Cummins	King	Norris	Smith, Ga.
Elkins	Kirby	Owen	Thomas
Fall	Knox	Penrose	Walsh, Mont.
Frelinghuysen	Lenroot	Pittman	Watson
Gay	Lodge	Pomerene	
Harding	McCormick	Reed	
Henderson	McCumber	Sherman	

So Mr. WADSWORTH's motion to proceed to the consideration of Senate joint resolution 236 was rejected.

Mr. WADSWORTH. Mr. President, I am in very great earnest about this matter. The Senator from Indiana [Mr. NEW] asked unanimous consent that the unfinished business be temporarily laid aside in order that this joint resolution stopping recruiting in the Army might be passed. That consent was refused, and I then felt it my duty to make the proposal in the form of a motion, which I did. The Senate has now decided not to make the Army resolution the unfinished business. I hope some agreement may be had here by which this Army resolution can at least have a chance to go through to-day.

The situation is a serious one. There is no great emergency waiting upon the nitrate bill or its passage. To my mind there is a Treasury emergency waiting upon the passage of the Army resolution.

I therefore renew my request that unanimous consent be given for the temporary laying aside of the nitrate bill; and I am willing to show my sincerity in wanting to get this joint resolution through, not merely for the purpose of delaying the nitrate bill, to negotiate with the Senators on the other side of the Chamber as to the length of time which they will give the Army resolution for further consideration this afternoon.

Mr. UNDERWOOD. Mr. President, I am not in charge of the bill which is the unfinished business. I want to say that if the Senator really is not proposing this for delay of the nitrate bill—

Mr. WADSWORTH. I have not been from the beginning.

Mr. UNDERWOOD. If the Senator will agree that the nitrate bill and all amendments thereto shall be voted on at 5 o'clock this afternoon—

Mr. WADSWORTH. No, Mr. President; I did not say the nitrate bill. I said I would reach an agreement as to how long the Army resolution should remain before the Senate.

Mr. UNDERWOOD. I think we can very quickly dispose of the nitrate bill if the debate will cease. There are not many votes to be had, and if we can reach an agreement to dispose of the nitrate bill at 4 o'clock I am willing to help the Senator take up his other measure and I am willing that it shall be the unfinished business; or I am willing that we shall vote on the military measure first if the Senator will give us a vote on the nitrate bill this afternoon.

Mr. WADSWORTH. Mr. President, the Senator asks me to do a thing which I have not the power to do. There are a large number of amendments yet to be offered to the nitrate bill, and the Senator knows it, because he has been informed from several sources that that is the case. Some of them are of great importance. I could not myself give consent, and I have not the power to do so, that there shall be no more debate upon the nitrate bill with all these amendments that are going to be offered. All I am asking of the Senator from Alabama now is, Will he give one hour to the Army resolution and let us have a chance to pass it?

Mr. UNDERWOOD. Mr. President, I am perfectly willing to give two hours for the consideration of the Army bill tomorrow morning by having an adjournment taken, instead of a recess, at the close of to-day's session.

Mr. WADSWORTH. In other words, the Senator from Alabama is willing to spend \$2,000,000 more. These men are coming in at the rate of 2,000 a day. Every 2,000 that come in put an obligation upon the Treasury of the United States of \$2,000,000. I want to save it, and I ask the Senator from Alabama to give the Senators behind this Army resolution one hour in an effort to save that money, without disturbing the nitrate bill.

Mr. UNDERWOOD. Mr. President, the Senator has made an urgent appeal, and one that appeals to me, of course, to save \$2,000,000; but a few minutes ago I heard Senators on this side appeal to the Senator from New York to accept an amendment making the Army 150,000 instead of 175,000, which would probably save many times \$2,000,000.

Mr. WADSWORTH. Oh, Mr. President, certainly the Senator does not mean that. This joint resolution stops recruiting. Recruiting will cease when it is passed, no matter whether the size of the Army is to be ultimately 175,000 or 150,000.

Mr. UNDERWOOD. Oh, to be sure; I understand that perfectly well, but I am talking about economy. If we are passing this joint resolution purely on the ground of economy and not on the ground of efficiency or Army necessity or on the ground that the conditions of the country do or do not require an Army, if it is purely a question of economy—and that is the position of the Senator from New York in the appeal that he makes to me—why not pursue the economy and reduce the Army to 150,000 instead of 175,000, and have a very great reduction?

Mr. McKELLAR. Mr. President—

Mr. UNDERWOOD. To be perfectly candid about it, I think the Senate has decided the question. There has been no desire for any unusual delay on this side of the Chamber for the consideration of this measure. I think we can say that the minority, on this side of the Chamber, has not in any way impeded the action of the majority in considering its legislation, although I can not say that entirely about the pending bill as to the majority. The minority, or most of us, are heartily in favor of it.

Mr. McKELLAR. Mr. President—

Mr. UNDERWOOD. If the Senator wants to expedite the business of the Senate—and he ought to, because the responsibility rests on his side of the Chamber—let us consider the nitrate bill with as little debate as possible, and then we will proceed to the consideration of the Army resolution.

Mr. WADSWORTH and Mr. NEW addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator yield at this point, if to anyone?

Mr. UNDERWOOD. I will not yield the floor, unless the Senator is addressing a question to me, in which event I will answer it.

Mr. WADSWORTH. Mr. President, the Senator from Alabama [Mr. UNDERWOOD] is rather skillful in attempting to put the responsibility for the long debate upon those who have questioned the wisdom of the nitrate bill. If he will examine the Record, he will find that three-fourths of the time has been taken up by the proponents of the bill.

Mr. UNDERWOOD. I can not weigh the time, but—

Mr. WADSWORTH. All we are asking now is that you give us, we will say, until 3.30 to attempt to pass the Army joint resolution, without disturbing the nitrate bill.

Mr. UNDERWOOD. Mr. President, it is apparent that if we do that there will be practically no consideration of the nitrate bill this afternoon. The Senate has decided the question. The Senator has appealed to the Senate, and the question has been decided.

Mr. WADSWORTH. Will the Senator give us half an hour? Mr. GRONNA and Mr. NEW addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. GRONNA. Mr. President, speaking only for myself, of course, I would suggest that unanimous consent be given to take up the Senator's joint resolution, and that we agree to vote on it not later than 4 o'clock; and, coupled with that, that we agree to vote on the nitrate bill to-morrow not later than 5 o'clock. That seems to me to be a fair proposition.

Mr. WADSWORTH. I shall object to that.

Mr. NEW. Mr. President, I utterly deny that there was any purpose on the part of anybody concerned in the advocacy of this Army resolution to displace permanently the nitrate bill. Unanimous consent was asked that the nitrate bill be laid aside in order that consideration of Senate joint resolution 236 might be continued. When the request was made I was under the impression, and I am still under the impression, that this whole matter of Senate joint resolution 236 can be disposed of within less than one hour.

I therefore move, Mr. President, that the nitrate bill—I have not the number in my mind—be temporarily laid aside until the hour of 3.30 this afternoon in order that the Senate may proceed until that hour with the consideration of Senate joint resolution 236.

Mr. UNDERWOOD. I make the point of order that that motion is not in order.

The PRESIDING OFFICER. What is the point of order that the Senator makes?

Mr. UNDERWOOD. That the motion to postpone indefinitely for one hour is not in order. The Senator can substitute, but he can not—

Mr. NEW. It is not a motion to postpone indefinitely.

Mr. UNDERWOOD. Well, to postpone until a fixed hour.

Mr. NEW. To postpone to a definite hour.

Mr. ROBINSON. Mr. President, I make the further point of order that the Senate has just voted upon the motion which is the proper motion, to proceed to the consideration of another measure, the Army resolution, and that it is not now in order to move to proceed to the consideration of the Army resolution for one hour.

Mr. UNDERWOOD. Mr. President, I want to say a word on this subject, if the Chair will allow me. I will let the Chair rule first on the point of order, however, because I am sure the point of order is well taken.

The PRESIDING OFFICER. The present temporary occupant of the chair has never had occasion to rule on this precise question, and no precedent has been cited; but the impression of the Chair is that the motion is out of order under the peculiar rules of the Senate. That is, the motion is that the Senate proceed for an hour and a half to consider the Army bill. That would tend to make it the unfinished business for an hour and a half, at which time another matter of unfinished business would come before the Senate.

Mr. UNDERWOOD. It would be invoking the cloture rule on the Army bill, of course.

The PRESIDING OFFICER. The Chair is inclined on first impression to say that the point of order is good, and it is therefore sustained.

Mr. UNDERWOOD. Mr. President, there are a great many Senators on this side of the Chamber who are desirous of voting on the Army resolution. I understand that the Senator from North Dakota desires to make a proposal at this time.

Mr. GRONNA. Mr. President, with the aid of the Assistant Secretary I have presented a request for unanimous consent, which I ask to have stated.

The PRESIDING OFFICER. The Secretary will state the proposed unanimous-consent agreement.

The Assistant Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on this calendar day the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the joint resolution, S. J. Res. 236, through the regular parliamentary stages to its final disposition; and it is further agreed that at not later than 5 o'clock p. m. on the calendar day of Friday, January 14, 1921, the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the bill, S. 3390, through the regular parliamentary stages to its final disposition.



The PRESIDING OFFICER. Is there objection to the request?

Mr. WADSWORTH. I have already stated my objection to that.

The PRESIDING OFFICER. Objection is made.

#### ATMOSPHERIC NITROGEN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. CURTIS. Mr. President, on behalf of the junior Senator from Wisconsin [Mr. LENROOT] I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Kansas, on behalf of the junior Senator from Wisconsin [Mr. LENROOT], presents an amendment, which will be stated.

The ASSISTANT SECRETARY. On pages 7 and 8 it is proposed to strike out all of subdivision (m). Subdivision (m), as amended, reads as follows:

(m) To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out the purposes of this act; and with the approval of the Secretary of War to lease to other persons, firms, or corporations any of its properties not used or needed by the corporation, or to enter into agreements with others for the operation of such properties not used or needed for the purposes named herein.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas on behalf of the Senator from Wisconsin.

The amendment was agreed to.

Mr. HARRIS. Mr. President, on day before yesterday I withdrew my substitute for two amendments, one offered by the Senator from South Carolina [Mr. SMITH] and the other by the Senator from Wisconsin [Mr. LENROOT], with the understanding that those two amendments covered all of my substitute. Part of my substitute, however, is not covered in either one of those amendments, and I therefore offer this amendment, to be inserted after the amendment of the Senator from South Carolina:

After the word "agriculture," at the end of the first proviso, insert the words "and shall be sold to farmers at reasonable prices."

The PRESIDING OFFICER. The Senator from Georgia asks unanimous consent to reconsider the vote by which the amendment proposed by the Senator from South Carolina was agreed to.

Mr. SMITH of South Carolina. Mr. President, I should like to have the amendment proposed by the Senator from Georgia read.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. The Senator from Georgia desires to add, in the amendment already agreed to, after the word "agriculture," the words "and shall be sold to farmers at reasonable prices."

The PRESIDING OFFICER. Without objection, the vote whereby the amendment was agreed to will be reconsidered. The question is on agreeing to the amendment of the Senator from Georgia to the amendment of the Senator from South Carolina.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GRONNA. Mr. President, there has been considerable complaint about the fact that under the bill this corporation would be under the control of the Secretary of War, and it is my purpose to move to strike out of the bill the words "Secretary of War" and to substitute the word "President" wherever that language may be found, with the exception of the place on the last page where the Secretary of War is made ex-officio chairman of the board. I move that, on page 1, line 3, the words "Secretary of War" be stricken out and the word "President" be substituted.

The amendment was agreed to.

Mr. GRONNA. Then I move a similar amendment on page 3, line 23.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 3, line 23, strike out the words "Secretary of War" and insert the word "President."

Mr. WADSWORTH. I move as an amendment to that amendment to add the words "by and with the advice and consent of the Senate."

Mr. ROBINSON. Let the amendment be stated in the connection in which it is offered.

The PRESIDING OFFICER. The Secretary will state the amendment as proposed to be amended.

The ASSISTANT SECRETARY. On page 3, line 23, strike out the words "Secretary of War" and insert the words "President, by and with the advice and consent of the Senate."

Mr. GRONNA. Mr. President, as far as I am concerned, I have no objection to the amendment to the amendment.

The PRESIDING OFFICER. The Secretary will read the language as it will read if amended.

The ASSISTANT SECRETARY. The sentence will read:

The corporation shall be conducted under the supervision and control of a board of directors, consisting of not less than 3 nor more than 11 members, to be appointed by the President, by and with the advice and consent of the Senate.

Mr. GRONNA. As far as I am personally concerned, I accept the amendment offered by the Senator from New York.

The PRESIDING OFFICER. The proposer of the amendment has accepted the amendment to his amendment. Therefore the question is on the amendment as modified.

The amendment as modified was agreed to.

Mr. GRONNA. On the same page, line 24, I move to strike out the words "Secretary of War" and insert the word "President."

The PRESIDING OFFICER. The Secretary will report the amendment.

The ASSISTANT SECRETARY. On line 24 and the beginning of line 25, strike out the words "Secretary of War" and insert the word "President."

Mr. WADSWORTH. I think that would be a very grave mistake.

Mr. GRONNA. Mr. President, I withdraw that amendment.

The PRESIDING OFFICER. The Senator from North Dakota withdraws the amendment.

Mr. GRONNA. I propose the same amendment on page 12, line 3.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 12, line 3, strike out the words "Secretary of War" and insert the word "President."

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, the Senator from North Dakota has brought up the question, by these amendments, of the connection of the Secretary of War with this corporation and the connection of the President with it. His amendments leave the bill in such shape that we can not tell who is going to run the corporation, really, and it will require several more amendments, I think.

For example, on page 2 we find this language:

The said organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with acknowledgment thereof, authenticated by the seal of such notary or court, transmitted to the Secretary of War, who shall file, record, and carefully preserve the same in his office.

Do I understand that under the Senator's theory the President, who appoints all these directors and who appoints, in the first instance, the five persons who are to act as the organization committee, is to be the responsible head of this concern?

Mr. GRONNA. Mr. President, if the Senator directs the question to me, I will say that whether it is inserted in the bill or not, the President really would be the responsible head, because it is a governmental agency. There has been considerable complaint, as the Senator knows, because we are undertaking to provide that the Secretary of War shall be the head of this Government corporation, and for that reason I conferred with some of the Members of the Senate who are interested in the bill and who believe that the business should be conducted in such manner that there could be no possible reason for criticism. Making the Chief Executive the responsible head would obviate such criticism, and for that reason I offered the amendments which have been adopted. Of course, the reports would have to be made to the Secretary of War, just as reports are made now to the different departments of the Government affecting the business of the particular departments, and this, Mr. President, is the business of the War Department.

Mr. WADSWORTH. Then, Mr. President, in view of that suggestion, let us turn to page 5, and if the Senator from North Dakota will look at paragraph 2 I think he will find an interesting situation, which I would like to have him solve. It reads:

Any other plants or parts of plant, equipment, accessories, or other properties belonging to the United States which are under the direct control of the President or of the War Department, and which the President or the Secretary of War may deem it advisable to transfer, convey, or deliver to said corporation.

There is a dual authority. Which, in the judgment of the Senator, should have the discretion in the matter of turning over Government property to this corporation? Surely the Senator would not urge that both be given that authority.

Mr. GRONNA. Mr. President, it is very seldom that I differ with the Senator from New York with respect to purely business matters, because he has such a keen intellect that I certainly do not want to oppose anything he proposes. But the Senator is too good a business man seriously to contend that it would be impossible for the President of the United States and a subordinate officer, the Secretary of War, to collaborate and do this work, just like the president of a bank and the vice president of a bank. There is no conflict whatever in the transaction of the business.

Mr. WADSWORTH. But the Senator forgets that we are writing a statute conferring authority upon certain officers, and in that we confer authority upon the President to transfer properties of the Government to the corporation, and we also confer like independent authority upon the Secretary of War. I believe one or the other should come out, that is all; and I was asking the Senator from North Dakota which of the two he thinks should bear the responsibility, because I want to help make the bill conform with his original theory as to who shall head the corporation and be responsible for it. It is an evident error and I do not think anyone can defend it.

Mr. GRONNA. I appreciate the force of the Senator's argument, but I do not think it is an error. We have just adopted an amendment proposed by the Senator from New York, and I believe it is a good amendment, to the effect that the men appointed by the President of the United States shall be confirmed by the Senate.

Mr. WADSWORTH. Those are the directors.

Mr. GRONNA. Who will make the report to the Secretary of War or to the President of the United States? It will be those directors, appointed by the President of the United States, confirmed by the Senate of the United States. I can imagine no different way to do this business than for these directors to make their complete report to the Secretary of War, and the Secretary of War to make his report to the Chief Executive of the Nation. I do not believe the Senator could improve upon the machinery set up, as the bill now provides. As one who favors the bill, I am under obligations to the Senator from New York for proposing the amendment which he did a few minutes ago.

Mr. WADSWORTH. Mr. President, what I have reference to has nothing to do with the directors, and nothing to do with the making of reports. It has to do with the turning over of Government property to this corporation, and who shall authorize the turning over of the property. It reads:

Any other plants or parts of plant, equipment, accessories, or other properties belonging to the United States which are under the direct control of the President or of the War Department, and which the President or the Secretary of War may deem it advisable to transfer, convey, or deliver to said corporation for use in connection with any of the purposes of this act, or for any purpose incidental thereto.

I object to having dual authority. Either the Secretary of War should have complete authority to turn over War Department property to this corporation or the President should have it alone; or the President should have all the authority to turn over all property which is under his control and the control of the War Department. I am asking the Senator from North Dakota which of the two officers, with respect to War Department property, he would have eliminated?

Mr. GRONNA. I think both the Secretary of War and the President should have something to say about the transfer of the property of the Government of the United States. We are doubly insured, but I have no objection to striking out the language with reference to the Secretary of War leaving the power in the hands of the President.

Mr. ROBINSON. Will the Senator yield to me a moment?

Mr. GRONNA. Certainly.

Mr. WADSWORTH. Then we must change the word to "and."

Mr. ROBINSON. The point the Senator from New York makes is that the Secretary of War, without the approval of the President, may transfer property belonging to the War Department, even against the will of the President, under the language as it is used here.

Mr. WADSWORTH. This statute would authorize the Secretary of War to turn over to this corporation anything in the War Department he wants to. He could turn over the Nashville powder plant, the Nitro (W. Va.) plant—if there is anything left of it, and I think there is not—and several other enormous installations, without asking the permission of the President or anyone else, and I want to know who is going to be responsible. There are hundreds of millions of dollars worth

of property involved here. I think it should be the President alone.

Mr. GRONNA. I am sure the Senator can suggest a remedy.

Mr. WADSWORTH. I have done so already, but the Senator has insisted that the whole thing is protected.

Mr. GRONNA. I believe it is; but I have no objection to having it changed that way.

Mr. ROBINSON. I offer the following amendment, which I think will accomplish the purpose, and I do not think the Senator from North Dakota will object to it.

In line 4, page 5, I move to strike out the words "or the Secretary of War," so that it will read "and which the President may deem it advisable to transfer."

Mr. WADSWORTH. Is that acceptable to the Senator from North Dakota?

Mr. GRONNA. It is acceptable to me.

Mr. WADSWORTH. That was my suggestion, that the President be made responsible.

The VICE PRESIDENT. The proposed amendment will be stated.

The ASSISTANT SECRETARY. On page 5, in line 4, after the words "which the President," strike out the words "or the Secretary of War," so that the paragraph will read:

Any other plants or parts of plant, equipment, accessories, or other properties belonging to the United States which are under the direct control of the President or of the War Department, and which the President may deem it advisable to transfer, convey, or deliver to said corporation for use in connection with any of the purposes of this act, or for any purpose incidental thereto.

The amendment was agreed to.

Mr. WADSWORTH. I understand subdivision (m), on page 7, has been stricken out.

The VICE PRESIDENT. That subdivision has been stricken out.

Mr. WADSWORTH. On page 8 we find this language under the heading "Capital stock":

In exchange for the properties purchased or acquired from the United States, and from time to time transferred—

The VICE PRESIDENT. That language has been stricken out.

Mr. WADSWORTH. How does the bill read now as amended?

The VICE PRESIDENT. It will be stated.

The Assistant Secretary read as follows:

In exchange for the properties purchased or acquired from the United States and from time to time transferred, conveyed, or delivered to the corporation by the President or the Secretary of War—

Mr. WADSWORTH. There it is again.

Mr. ROBINSON. I move, in line 12, page 8, of the print which I have, to strike out the words "or by the Secretary of War."

The ASSISTANT SECRETARY. In the amendment offered by the Senator from New York and agreed to, the paragraph reads:

In exchange for the properties purchased or acquired from the United States and from time to time transferred, conveyed, or delivered to the corporation by the President or the Secretary of War, etc.

Mr. ROBINSON. My motion was correctly stated, then. That would leave it reading as follows:

In exchange for the properties purchased or acquired from the United States and from time to time transferred, conveyed, or delivered to the corporation by the President, for the proceeds of the sale of nitrate of soda herein made available to the corporation, and for all unexpended balances now under the control of the Secretary of War and applicable to the nitrate plants at Sheffield, Ala., the corporation shall cause to be executed and delivered to the Secretary of the Treasury a certificate for all the common stock of the corporation and all bonds provided for by this act.

I move to strike out the words "or the Secretary of War" in the fourth line of that paragraph.

The VICE PRESIDENT. The proposed amendment will be stated.

The ASSISTANT SECRETARY. The Senator from Arkansas moves to strike out, in line 12 of the reprint of the bill, after the word "President," the words "or the Secretary of War," so that as amended the sentence will read:

In exchange for the properties purchased or acquired from the United States and from time to time transferred, conveyed, or delivered to the corporation by the President, for the proceeds of the sale of nitrate of soda herein made available to the corporation, and for all unexpended balances now under the control of the Secretary of War and applicable to the nitrate plants at Sheffield, Ala., the corporation shall cause to be executed and delivered to the Secretary of the Treasury a certificate for all the common stock of the corporation and all bonds provided for by this act.

The amendment was agreed to.

Mr. WADSWORTH. Now, on page 9—

Mr. ROBINSON. The same amendment should be made there, if the Senator will pardon me for interrupting him. In line 5 the words "or the Secretary of War" should be stricken out.



The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 9, line 5, after the word "President," the Senator from Arkansas moves to strike out the words "or the Secretary of War," so that the paragraph will read:

The President, as a condition of the transfer, conveyance, or delivery to the corporation of any property herein referred to, may require the corporation to assume any and all agreements and obligations entered into by the United States in connection with the construction, maintenance, or operation of such plants or other property.

The amendment was agreed to.

Mr. KENYON. Mr. President, I do not desire to disturb the order of proceeding, but I wish to ask about page 14 of the reprint, where I observe this language:

The directors, officers, attorneys, experts, assistants, clerks, agents, and other employees of the corporation shall not be officers or employees of the United States within the meaning of any statutes of the United States, and the property and moneys belonging to said corporation, acquired from the United States, or from others, shall not be deemed to be the property and moneys of the United States within the meaning of any statutes of the United States.

Mr. WADSWORTH. That is a very remarkable provision.

Mr. KENYON. It is most remarkable. What does it mean? We have certain statutes of the United States punishing officials of the United States for embezzlement or misappropriations of funds. Now, it seems that these gentlemen are to be taken entirely out of the Federal statutes.

Mr. WADSWORTH. Perhaps the Senator can see why I could not give consent to a final vote on the bill.

Mr. KENYON. I think the Senator perhaps has such interest in and knowledge of the bill that he might define this proposition.

Mr. WADSWORTH. The bill is a mess. It has been from the day it was presented to the Senate, and we will have to do a lot of work on it yet in order to make it readable.

Mr. ROBINSON. That statement is gratuitous. If the Senator will yield—

Mr. KENYON. Can the Senator from New York give any explanation of that language?

Mr. WADSWORTH. I can not. We shall have to change it, I think. It is a remarkable provision. I have several amendments pending that relate to it.

Mr. ROBINSON. Will the Senator yield for a statement?

Mr. WADSWORTH. I yield.

Mr. ROBINSON. The Senator from New York has stated that the bill is a mess and requires amendment. As a matter of fact, one of the advantages of considering a bill in the Senate is to make necessary amendments. Practically every important bill that comes to the Senate is amended, as the Senator well knows.

So far as the language to which he has referred is concerned, on page—I do not know what page to give, because there are so many prints of the bill that it is difficult to locate—it is as follows:

The directors, officers, attorneys, experts, assistants, clerks, agents, and other employees of the corporation shall not be officers or employees of the United States within the meaning of any statutes of the United States, and the property and moneys belonging to said corporation, acquired from the United States, or from others, shall not be deemed to be the property and moneys of the United States within the meaning of any statutes of the United States.

The manifest purpose of the language is in connection with accounting. If the officers of the corporation are officers of the United States and the moneys and properties belong to the United States, the moneys will have to be regularly turned into the Treasury and the sums necessary for the operation of the plant will have to be regularly appropriated. It is the evident purpose of the language to avoid that inconvenience.

I respectfully submit to the Senator from New York that if the United States sees fit to create a corporation and to designate officers to operate it, it is a very good plan to declare that they shall not be officers of the United States and to let the corporation run its business separate and distinct from the Treasury of the United States. That is the clear purpose of it. I am not a member of the committee that prepared the bill.

Mr. WADSWORTH. The committee did not prepare it; Mr. Glasgow prepared it.

Mr. ROBINSON. The committee reported it, and the committee, of course, is responsible for it. I think that language in the bill has a very important purpose and a very useful purpose.

Mr. WADSWORTH. One of its uses will be to take them all out from under the civil service.

Mr. ROBINSON. Does the Senator think that employees of this character, in the beginning of an organization of this kind, ought to be under the civil service? Does not the Senator think that it might be well not to have them in the beginning under the civil service? Does he not think that we would get better and more efficient employees outside of the civil service?

Mr. WADSWORTH. In other words, when we get the men we want we will cover them all in later.

Mr. ROBINSON. Yes; when we get efficient men, when we test out our men and find that they can do the work which the bill contemplates they shall do, then they ought to be covered into the civil service. I respectfully suggest to the Senator from New York that until that is done there is neither occasion nor justification for putting them under the civil service. A more important purpose of the language is manifestly to enable the corporation to do its own accounting without putting its moneys regularly into the Treasury of the United States; and also there may be other purposes.

Mr. GRONNA. Mr. President, I do not know whether the Senator from New York was present when Mr. Roberts and, I think, others explained this provision of the bill before the committee. The Senator from Arkansas has well interpreted the meaning of the language. Its purpose and its use in the bill is that they shall be permitted to deposit money in Federal reserve banks. That would not be permitted if they were officers of the United States. In that event the money would have to be deposited, as the Senator from Arkansas stated, in the Treasury of the United States.

Mr. ROBINSON. It is very difficult to conduct a governmental concern within these limitations, as the Senator from New York well knows.

Mr. WADSWORTH. I did not bring up the matter. The Senator from Iowa [Mr. KENYON] brought it up. Of course, there are two objects. One is to avoid the civil-service regulations for the hundreds and hundreds of people who are to be employed under the corporation and the other may be, as the Senator from Arkansas says, to take care of the accounts. As a matter of fact the language following takes care of the auditing of accounts and is meant to do so.

Mr. KENYON. It also removes the officers of the corporation from any prosecution for offenses under any Federal statute as Federal officers.

Mr. WADSWORTH. It does.

Mr. KENYON. That might be very helpful, of course.

Mr. WADSWORTH. It is a new proposition.

Mr. ROBINSON. Will the Senator yield again?

Mr. WADSWORTH. I do not know how the Senator feels about a question of this sort. I yield.

Mr. ROBINSON. The Senator has stated that the purpose of the first paragraph would be subverted by the language in the second paragraph. That language is:

The accounts of the corporation shall be audited under the regulations to be prescribed by the Secretary of War, who shall include in his annual report to Congress a detailed statement of the fiscal operations of said corporation.

It is perfectly clear, if that is the only language regarding the subject incorporated in the bill, that the proceeds of the corporation would still be subject to the control of the Treasury of the United States. All sums received by it would have to be paid into the Treasury and all sums paid out by it would have to be audited and paid out as are other expenses of the Government, and it would impair and hinder the corporation in the prosecution of its business. No going business concern can very readily and conveniently be operated within those limitations. The mere auditing provided for in the lines to which I have called attention would not relieve the difficulties that I have in mind.

Mr. WADSWORTH. I think the Senator overlooks the chapter or subdivision of the bill entitled "Distribution of earnings," when he says that if this language is not incorporated in the bill all proceeds will have to be turned into the Treasury. It reads as follows:

All net earnings of the corporation not required for its organization, operation, and development shall be used—

(a) To pay dividends on outstanding preferred stock.

We shall have to change that. There is no outstanding preferred stock. I am told that it has been amended to read "interest on bonds" instead of "dividends on outstanding preferred stock."

(b) To develop and improve its plants and equipment.

They do not have to go into the Treasury.

Mr. ROBINSON. I will say to the Senator, as we used to say in my school days, that it does not read that way in my book.

Mr. WADSWORTH. The Senator has not the right book, then.

Mr. ROBINSON. I have just been handed another print of the bill.

Mr. WADSWORTH. In the official print of the bill the Senator will find the language on page 10. We find this language:

All net earnings of the corporation not required for its organization, operation, and development shall be used—

(a) To pay interest on bonds—

As it will read, because that amendment has been adopted. Such interest to be paid into the Treasury of the United States as miscellaneous receipts.

That is all that goes into the Treasury.

(b) To develop and improve its plants and equipment.

It can use its receipts and earnings for that purpose. They do not have to go into the Treasury at all.

(c) To create a reserve or surplus fund until such fund amounts to \$2,500,000.

Of course, Methusaleh will be a babe to them before they ever get any such surplus.

(d) The remainder to be paid into the Treasury of the United States as miscellaneous receipts.

Mr. ROBINSON. Will the Senator yield a moment?

Mr. WADSWORTH. Certainly.

Mr. ROBINSON. The Senator will note this is in relation to net earnings. Even these provisions would not operate to prevent the requirement without the one first read, to which the Senator has objected, that the moneys shall be paid into the Treasury of the United States.

This merely provides for the use of the net earnings of the corporation and it does not expressly prevent the payment into the Treasury of the funds of the corporation or the handling through the Treasury of the funds of the corporation.

Mr. WADSWORTH. The bill authorizes the corporation to deposit its funds in any Federal reserve bank or any member bank of the Federal reserve system. As fast as it sells anything the gross receipts may be deposited in the bank, not in the Treasury of the United States.

Mr. ROBINSON. That is one of the objects in saying that the moneys shall not be considered moneys of the United States. If they were moneys of the United States, they ought to be paid into the Treasury in all probability. What harm can arise, however, to the public or to the Government by reason of the provision to which the Senator has objected?

Mr. WADSWORTH. It relieves the directors and officers of the corporation of any of the obligations which are imposed upon public officers. No Federal law can reach them in many ways in which an ordinary public officer may be reached under Federal statutes.

Mr. ROBINSON. As a matter of fact, they are mere officers of a corporation which is engaged in private business.

Mr. WADSWORTH. Which is engaged in a private business which is entirely owned by the United States.

Mr. ROBINSON. Yes; which is owned by the Government, if the Government sees fit to run the private business.

Mr. WADSWORTH. It is a grave question whether we want to put up \$140,000,000 to be used in that way.

Mr. ROBINSON. The same laws would apply to them that apply to other corporations which the Government creates.

Mr. WADSWORTH. Yes; but the property that is going into their hands is not private property; it is the property of the people. It is quite a different situation, of course. This is our first experiment in State socialism of the purest kind, and it is wise for us to make up our minds to what degree of responsibility we are going to hold our agents and under what statutes.

Mr. ROBINSON. The Senator's reference to State socialism has not the slightest force to my mind. The Government has been making guns; the Government has been in the construction business.

Mr. WADSWORTH. But not in the gun business.

Mr. ROBINSON. The Government has made a good many guns at the navy yard here in Washington.

Mr. WADSWORTH. Has the Government bought and sold guns on the market?

Mr. ROBINSON. No; but we make guns. The Government is in the business of making things.

Mr. WADSWORTH. Yes; but not selling them.

Mr. ROBINSON. But the Government is making them.

Mr. WADSWORTH. The Government does not do it commercially.

Mr. ROBINSON. Oh, well—

Mr. WADSWORTH. This is a commercial corporation.

Mr. ROBINSON. Certainly.

Mr. WADSWORTH. It involves the Government going into commercial business, which is ordinarily denominated one of the principles of State socialism. I think my definition is correct. My concern now is that the taxpayers of the country shall have reasonable assurance that this corporation shall be properly organized, properly capitalized, and properly conducted, with a due sense of responsibility on the part of the men who are to have the disposal of \$140,000,000 worth of property. So when I see a provision that none of "the directors, officers, attorneys, experts, assistants, agents, and other employees of the corporation" shall be considered "employees

of the United States within the meaning of any statutes of the United States," I pause and consider; that is all. It has a sweeping sound.

I am not familiar with all the statutes of the United States having to do with the responsibility of public officers, but this language relieves the officials of the corporation of all such responsibility, as the Senator from Iowa has pointed out. The provision is not necessary for the purpose of giving the corporation control of its funds because other provisions in the bill give them such control. It is a matter which is worthy of consideration. I frankly say to the Senator from Arkansas that I hesitate to express my real opinion of what the effect of that language would be, but I think it ought to be carefully examined. No one has paid any attention to it.

Mr. ROBINSON. If the Senator will pardon me, I think the purpose of the language is manifest. As he himself has suggested it involves purely a question of policy.

I do not think that the language which the Senator has quoted in another part of the bill, prescribing how the net earnings of the corporation shall be used, would relieve the officials of the corporation from the statutes of the United States requiring the accounting of moneys which belong to the United States; and, so far as I am concerned, I have no objection if the Senator from New York thinks it is necessary that those men shall be declared officers of the United States to so declare them. I think it is important, however, for reasons which I have already stated, that the moneys and properties of the corporation shall not be considered to be moneys and properties of the United States.

Mr. WADSWORTH. That provision is found in the next sentence.

Mr. ROBINSON. I have no disposition, so far as I am concerned, to relieve any of the officers or employees of the corporation from liability under any statute that the Senator from New York, after consideration of the subject, thinks ought to apply to them; but I think that the language in the paragraph which declares that the moneys and properties held by the corporation shall not be moneys and properties of the United States is an important and necessary declaration if the corporation is to function successfully as a commercial organization. I think it would be a physical impossibility for it to operate successfully unless some such language as that is in the statute.

Mr. WADSWORTH. That is taken care of in the language which concludes the sentence about which we have been speaking.

Mr. ROBINSON. I do not think that it is.

Mr. WADSWORTH. The language reads:

And the property and moneys belonging to said corporation, acquired from the United States, or from others, shall not be deemed to be the property and moneys of the United States within the meaning of any statutes of the United States.

Mr. ROBINSON. That is the language which I had in mind as being necessary to retain. That is in the section.

Mr. WADSWORTH. Yes.

Mr. ROBINSON. So far as I am concerned, if the Senator from New York desires, I should, perhaps, have no objection to striking out the following language:

The directors, officers, attorneys, experts, assistants, agents, and other employees of the corporation shall not be officers or employees of the United States within the meaning of any statutes of the United States.

By striking out that language these officers would be placed under the civil service. I do not know that I would make any objection to eliminating that provision, but I think that we would hamper the organization of the corporation very materially in the beginning of its work if it were required that every person employed at the plant should be within the civil service. I think the Senate had better consider that matter very carefully.

Mr. WADSWORTH. I am myself puzzled, I will say very frankly to the Senator from Arkansas, as to which is the worse evil, the civil service or the political atmosphere which will very shortly inject itself into the management of this corporation, so far as appointments to places are concerned.

Mr. ROBINSON. The Senator will certainly not object to the political atmosphere that is very shortly to inject itself. If he does, I will say to the Senator that I will take great pleasure in assisting him to remove himself from it to a purer atmosphere.

Mr. STANLEY. Mr. President, would the Senator from New York object after the words "statutes of the United States," to having added the words "but nothing herein contained shall exempt any officer or employee of such corporation from responsibility for embezzlement or other wrongful act under the statutes of the United States in such case made and provided"?



That would cover the Senator's objection, and would not interfere with the operation of the corporation.

Mr. ROBINSON. Mr. President, after studying the provision as carefully as I can here on the floor of the Senate I believe the language now found in the bill is about as good as can be framed, unless we shall change the policy of the paragraph. There is nothing in the present language that relieves any of the officers or employees of the corporation from prosecution for embezzlement.

Mr. WADSWORTH. Oh, no.

Mr. ROBINSON. Because an officer or employee of the corporation can be guilty of embezzling the corporation's money under the same rules and regulations and principles that he would be guilty of embezzling the Government's money. So, in my judgment, we had better leave the language as it is. We will not accomplish anything by striking it out.

Mr. WADSWORTH. I do not mean for a moment that an officer could steal moneys of the corporation and there would be no machinery to prosecute him. As I said a while ago, I am not familiar with the statutes which govern the responsibility of Government officers, but I am wondering whether that language would not repeal some portion of the statutes which we might like to retain.

Those who drew this bill all expected to be public officers under the bill, and so recommended themselves to the Secretary of War. He adopted their entire recommendations and sent them to the Senate. They are all honest men; I happen to know at least three of them, and I, of course, would never charge them with using this language in an effort to get for themselves a preferred place in that regard; but their miscalculations have been so numerous all through the consideration of this subject that I have lost confidence in a good many features of the bill as they drew it. I do not think it is inaccurate to say that the Committee on Agriculture and Forestry did not spend one minute on this particular phase of the question. I regret to bring it up on the floor of the Senate, because I am not competent myself to discuss it. However, Mr. President, I move to strike out the language between lines 14 and 18, ending with the word "and."

Mr. ROBINSON. On what page?

Mr. WADSWORTH. On page 11.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 11, line 14, after the word "The," beginning the sentence, at the end of the line, it is proposed to strike out the words:

Directors, officers, attorneys, experts, assistants, clerks, agents, and other employees of the corporation shall not be officers or employees of the United States within the meaning of any statutes of the United States, and the.

Mr. ROBINSON. I do not believe the amendment should be agreed to.

Mr. McKELLAR. Question!

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New York.

The amendment was rejected.

Mr. WADSWORTH. Mr. President, the question arose early in the discussion of the bill as to whether the Muscle Shoals project should be under the Secretary of War. Upon this question I have very earnest opinions. I do not think that the Secretary of War should be burdened with any more civil jurisdiction. We have piled it on him in recent years until he spends at least as much time if not more time looking after the civil jurisdiction of the War Department than he does its military affairs. Of course, we all know that the War Department, through the Corps of Engineers, has charge of river and harbor works; it also has jurisdiction over harbor lines in the ports of the country. The Secretary of War is constantly being asked to make decisions on such matters, and they take a large part of his time. Furthermore, the legislation of last winter made the Secretary of War chairman, I believe, of the Federal Power Commission, which is to have general jurisdiction over the development of water power all over the United States. The chairmanship of that board is enough to occupy one man if he did nothing else. As a matter of fact, that is not a proper function for the Secretary of War to perform. I do not think the officers of the War Department should be concerned in strictly civil occupations.

Now it is proposed to make the Secretary of War the ex officio chairman of this board and really to make him the responsible head for the carrying on of a great commercial business, to wit, the manufacture and sale of fertilizer. I think it is a grave error. The bill authorizes him to employ officers of the War Department as officers of this commercial corporation. The officers of the War Department, Mr. President, let me say with all respect to them, are not trained business men. They do not know enough about business procedure to

equip them to do this work efficiently. Soldiers ought not to be assigned to work of this character. The function of a soldier when he is supported by the people of the United States is to defend the country in time of war, and in time of peace to train himself and help train others to defend the country when the country needs defense. We are getting away from that idea, and are commencing to use the Army in connection with projects that have nothing to do, directly or indirectly, with the profession of the soldier. For instance, we have the Army running canal boats in a commercial way on the barge canal in the State of New York.

There is a bureau in the War Department down here, under the Chief of Transportation, which has commenced to grow—of course, it grows—studying the rail and water rates of Europe and America, to decide whether a canal boat can go between Buffalo and New York on the New York Barge Canal under the jurisdiction of the War Department profitably at one rate or more profitably at another, and what kind of traffic it shall engage in. That is all outside of the field of soldiering. It simply puts on the Army another burden that it ought not to have. You have the Army running barges on the Warrior River in Alabama. You have them running barges and broken-down tugs on the Mississippi. All three of the operations have resulted in a large loss. This last year they lost \$100,000 operating canal boats on the New York Barge Canal. The Senate passed a resolution to put them out of there. We do not want them there. The people of the State of New York own that canal. They built it. They maintain it toll free. They do not want the Government running its boats on the canal, because nobody else will run a boat there when they do it; but, of course, the Chief of the Transportation Division of the Quartermaster Department—a brigadier general who commanded 500,000 men in France at one time, now assigned to this work in the War Department—comes up here to the Capitol and appears before committees and spends a whole lot of time estimating how many more canal boats he needs, and where he is going to get captains of canal boats and deckhands. I do not know whether some of these boats are to be drawn by mule power, but probably they will not be; they will be driven by engine power. He came to see me the other day, and I gathered from him that most of his work now, or a good part of it, is running canal boats.

Now, we are going to authorize in this bill a lot more officers, as Mr. Glasgow and his friends have suggested, in the Ordnance Department, to go down there to Muscle Shoals and run a fertilizer factory, sell fertilizers, help get up the literature which will advertise the fertilizers, hire and discharge men, and run the plant, generally speaking, the way an ordinary civilian would run a commercial plant. Now, that is not the business of the Army. They are not fitted to perform it. They are not trained for it. They are removed from civilian pursuits. Their very life removes them from it. I have heard it suggested that it is a good thing to put Army officers into this kind of work, because it will teach them something about business; but, Mr. President, it is an expensive thing for the public, and I still have some regard for the public in this matter; and, in addition to that, I do not think we can spare much more of our commissioned personnel to take part in all these activities of a strictly civil character.

So, Mr. President, I move to strike out, on page 3, line 25, the words "Secretary of War" and to insert "Secretary of the Treasury."

Mr. ROBINSON. How does it read in that connection?

Mr. WADSWORTH. It reads here:

The Secretary of War shall be ex officio chairman of the board.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New York.

Mr. WADSWORTH. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. GRONNA. Mr. President, I do not believe there is any opposition to this amendment.

The VICE PRESIDENT. The roll call has begun.

Mr. ROBINSON. I ask unanimous consent that the order for the call of the roll be vacated for the purpose of accepting the amendment.

The VICE PRESIDENT. There is an unqualified rule of the Senate to the effect that a roll call shall not be interfered with for any purpose.

Mr. ROBINSON. The order can be vacated by unanimous consent.

The VICE PRESIDENT. The Senator has not any right even to ask it.

Mr. ROBINSON. I have asked it.

The VICE PRESIDENT. The Secretary will proceed with the roll call.

The calling of the roll was resumed.

Mr. FERNALD (when his name was called). I have a general pair with the junior Senator from South Dakota [Mr. JOHNSON]. In his absence I withhold my vote.

Mr. CURTIS (when Mr. LENROOT's name was called). I make the same announcement that I made on the previous roll call with regard to the Senator from Wisconsin [Mr. LENROOT].

Mr. MOSES (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. GAY]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN], which I transfer to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Pennsylvania [Mr. PENROSE] to the Senator from Missouri [Mr. REED] and vote "nay."

Mr. WOLCOTT (when his name was called). I have a general pair with the Senator from Indiana [Mr. WATSON]. In his absence I am not able to vote and therefore withhold my vote.

The roll call was concluded.

Mr. SMITH of Georgia. I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from New Jersey [Mr. FRELINGHUYSEN] and vote "nay."

Mr. GLASS. I transfer my pair with the senior Senator from Illinois [Mr. SHERMAN] to the junior Senator from Arkansas [Mr. KIRBY] and vote "nay."

Mr. EDGE. I transfer my general pair with the junior Senator from Oklahoma [Mr. OWEN] to the senior Senator from Idaho [Mr. BORAH] and vote "yea."

Mr. FERNALD. I transfer my pair with the junior Senator from South Dakota [Mr. JOHNSON] to the junior Senator from New York [Mr. CALDER] and vote "yea."

Mr. KNOX. Repeating my announcement on the last roll call, I withhold my vote.

Mr. MYERS. Has the Senator from Connecticut [Mr. McLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. KNOX. I have a pair with the Senator from Connecticut, and, as I am not able to obtain a transfer, I withhold my vote.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Nebraska [Mr. HITCHCOCK];

The Senator from Iowa [Mr. CUMMINS] with the Senator from Ohio [Mr. POMERENE];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Arizona [Mr. SMITH];

The Senator from New Mexico [Mr. FALL] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from Wisconsin [Mr. LENROOT] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Nevada [Mr. HENDERSON]; and

The Senator from North Dakota [Mr. McCUMBER] with the Senator from Colorado [Mr. THOMAS].

The result was announced—yeas 26, nays 29, as follows:

#### YEAS—26.

Ball	France	Nelson	Sterling
Capper	Hale	New	Sutherland
Colt	Jones, Wash.	Page	Townsend
Curtis	Kellogg	Philips	Wadsworth
Dillingham	Keyes	Poindexter	Warren
Edge	King	Smoot	
Fernald	McNary	Spencer	

#### NAYS—29.

Ashurst	Harrison	Robinson	Trammell
Beckham	Heflin	Sheppard	Underwood
Dial	Jones, N. Mex.	Simmons	Walsh, Mass.
Fletcher	La Follette	Smith, Ga.	Walsh, Mont.
Gerry	McKellar	Smith, Md.	Williams
Glass	Nugent	Smith, S. C.	
Gronna	Overman	Stanley	
Harris	Ransdell	Swanson	

#### NOT VOTING—41.

Borah	Harding	McCormick	Pomerene
Brandegge	Henderson	McCumber	Reed
Calder	Hitchcock	McLean	Sherman
Chamberlain	Johnson, Calif.	Moses	Shields
Culbertson	Johnson, S. Dak.	Myers	Smith, Ariz.
Cummins	Kendrick	Newberry	Thomas
Elkins	Kenyon	Norris	Watson
Fall	Kirby	Owen	Wolcott
Frelinghuysen	Knox	Penrose	
Gay	Lenroot	Phelan	
Gore	Lodge	Pittman	

So Mr. WADSWORTH's amendment was rejected.

Mr. WADSWORTH. Mr. President, I have been having a little conference with some of the supporters of the measure, and it seems that the amendment I offered a moment ago is completely misunderstood, as I expected it was at the time. It has been suggested to me that I outline some of the amendments to the bill I would like to have adopted for the good of the Army, and incidentally, I believe, for the good of the corporation.

All I am asking now is that instead of this thing being put under the jurisdiction of the War Department and soldiers, it shall be put under the Treasury Department and business men, and I purpose to offer some amendments, very simple in character, through the bill—I do not suppose over half a dozen—which will eliminate War Department jurisdiction and establish Treasury Department jurisdiction. The Treasury Department is the business end of the Government. The Treasury Department is the auditing machinery of the Government. The War Department is incompetent to carry on a commercial business.

I know there were very few Senators here at the time I offered the amendment striking out the Secretary of War as ex officio chairman and providing that the Secretary of the Treasury shall be ex officio chairman. An amendment already adopted by the Senate provides that the accounts of this corporation shall be audited by the Treasury Department. I think the Secretary of the Treasury should be the ex officio chairman, and that that officer should be what may be termed the "liaison officer" between the President of the United States and the corporation itself.

I beg of the Senate not to employ soldiers in the selling of fertilizer, but to employ business men, if we can find them. You can not get them in the Army, and the Army is not made for that purpose. My concern has been for the good of the Army. I do not want any more brigadier generals, colonels, lieutenant colonels, majors, and captains going around engaged in commercial business. The bill specifically authorizes it.

Mr. McKELLAR. Will the Senator yield?

Mr. WADSWORTH. I yield to the Senator.

Mr. McKELLAR. I ask the Senator if the primary purpose of constructing the plant is not to have a supply of nitrates to be available in an emergency?

Mr. WADSWORTH. It can be turned over to the War Department at the drop of a hat when war breaks out. If ever war should break out, the War Department could take it over on the instant. But they would keep the civilian staff to run it if they were sensible. This provision puts the War Department and Army officers in charge of this commercial undertaking, and I make my plea in behalf of the Army. Some Senators have evidently suspected that I was not at all sincere in offering the amendment. I do not think there is a Senator on this floor who will say that Army officers are the best fitted type to run this concern. Without reflecting upon them in the least, I assert that they are the least fitted type to run the concern. Will the Senator from Alabama consent to a reconsideration of the vote which was just had?

Mr. UNDERWOOD. I have no control of that. I indicated to the Senator that if we can agree on a day for passing the bill I think we can come to an agreement about it, but I am not prepared to make any such statement now. Of course, I could not say anything without consulting the gentlemen who are the authors of the bill.

Mr. WADSWORTH. They are not the authors of the bill; that is the trouble.

Mr. UNDERWOOD. I mean those who reported the bill. If we could agree on a time for voting on the bill and all amendments to-morrow, I think we could probably reach an agreement about some of the amendments the Senator is proposing.

Mr. WADSWORTH. Mr. President, there is one other thing, then, I would like to have an understanding about with the Senator from Alabama and all the Senators who are proponents of this measure. There is still left in the bill the power of eminent domain. This corporation can go out and take anything by condemnation proceedings, patents, processes, dam sites, transmission lines, factories, facilities of every kind and description in any way relating to the production of nitrogen. I brought that matter up the first day of the debate. The Senator from North Dakota [Mr. GRONNA] first suggested, as I understand it, that we amend this act to prevent the corporation from having the power of condemnation. I pointed out that that would not cure the situation, because under the national defense act the President has the power of condemnation, and he could condemn anything in the country and turn it over to this corporation. Then the Senator from Connecticut



[Mr. BRANDEGEE], who is just now absent, I think verbally suggested an amendment to read something like this:

That no property shall be taken by eminent domain for the purposes of this corporation.

Mr. UNDERWOOD. I will say to the Senator from New York that several days ago the Senator from North Dakota [Mr. GRONNA], who is chairman of the committee from which the bill came, stated that he did not desire to have the power of condemnation stay in the bill. I am sure I have not, and I have talked with some Senators on this side, and they are not in favor of it. Of course, I do not admit that it is in the bill.

Mr. WADSWORTH. It says so.

Mr. UNDERWOOD. That is one construction of the language. But I do not care to discuss that. The corporation ought not to have the power to exercise the right of condemnation. There can not be any dispute between the Senator from New York and myself on that score. I stated the other day that if he would offer an amendment which would make it sure that the power of condemnation did not exist in this corporation there would be no resistance to it. Of course, the Senator replied that he wanted to strike out the whole paragraph, which did some other things.

Mr. WADSWORTH. No, Mr. President; I did not say that.

Mr. UNDERWOOD. Then I misunderstood the Senator. If the Senator has an amendment which merely prevents this corporation from exercising the right of eminent domain, I do not think there will be any resistance to that amendment. As a matter of fact, the Senator from North Dakota [Mr. GRONNA] proposed an amendment the other day looking to that change, and it was not satisfactory to the Senator from New York, and the question was dropped. So, if the Senator has an amendment, I do not see why it can not be adopted.

Mr. WADSWORTH. My delay in proposing it myself was due to the fact that I got an understanding that the Senator from Wisconsin [Mr. LENROOT] was going to offer an amendment having to do with the national defense act of 1916, which contains the power of condemnation, but I think he did not offer that amendment before he left.

Mr. UNDERWOOD. If that is all the Senator wants, I think we are fighting at shadows, because in times of peace there is no reason why this corporation should have the power of condemnation and in time of war the Congress would pass laws to give it such power, if it was necessary. Therefore if the Senator has an amendment going to that point, I do not think it is necessary to discuss it; I think it will be adopted.

Mr. WADSWORTH. Do I understand that it is the suggestion of the Senator from Alabama that we shall vote on the bill and the pending amendment to-morrow and that the amendments which I have suggested concerning the Secretary of War and the Secretary of the Treasury will be perfected and accepted in the meantime?

Mr. UNDERWOOD. Will the Senator from New York again state the amendments to which he wants to direct our attention, and I will give him an answer if I can.

Mr. WADSWORTH. Those I had in mind were to make such amendments to the bill as would take this corporation out of the jurisdiction of the War Department, breaking all connection with the War Department in time of peace.

Mr. UNDERWOOD. So that we may have no difficulty in mind about the matter, does the Senator mean that where it puts the power in the Secretary of War it shall be put in the Treasury Department?

Mr. WADSWORTH. I should infinitely prefer that.

Mr. UNDERWOOD. Is that the extent to which it goes, and no further?

Mr. WADSWORTH. That is the extent to which it goes.

Mr. UNDERWOOD. And what is the other proposition the Senator wants?

Mr. WADSWORTH. And also, may I say, to strike out the language on the last page which would authorize the appointment of an officer of the War Department as a director of the corporation, with the provision there for the compensation for his services, even though the Senator from North Dakota has put in a provision that he shall not have two salaries. I do not want to have that situation created in the Army, where an Army officer would be given the choice of which of two salaries he would take. I do not want him eligible for it at all.

Mr. UNDERWOOD. I do not think that provision, of course, is material to the bill. I mean, it is useful, but I do not pretend to say that the bill would not survive without it.

Mr. GRONNA. Mr. President, the Senate adopted an amendment proposed by myself yesterday providing that no officer

shall receive more than one salary. Of course, if the Senator from New York can agree with the Senator from Alabama that no Army officer shall be an officer or director in this corporation, it is for them and for the Senate to decide. I said on yesterday that when an Army officer possessed the knowledge and skill, I saw no reason why this corporation should not be given the privilege of having his services. But I do not seriously object to the amendment.

Mr. UNDERWOOD. So far as that is concerned, I think if the Senate agrees to the proposition of the transfer of the power of operating this corporation from the War Department to the Treasury Department it will exclude Army officers anyhow, and although I prefer the bill as it was originally drafted in that respect, it has been before the Senate for nearly two weeks and I would like to see it finally disposed of; and I do not think it would be vital to the life of the bill to agree to this amendment; it would be a question of operation. So if it would be agreeable to the Senator from New York to let us dispose of the bill in that way, I think we had better reach an agreement and come to a vote and dispose of the matter.

Then, as I understand the amendment which the Senator from New York is willing to agree to, it is that where the bill refers to the Secretary of War, except where we change it to "President," to which the Senator agreed, we shall insert the words "Secretary of the Treasury" and strike out the clause in the latter part of the bill which refers to Army officers serving, and put in an amendment that eliminates the power of condemnation. Has the Senator his amendment with reference to the elimination of the power of condemnation?

Mr. WADSWORTH. I have not proposed it. I have it here.

Mr. UNDERWOOD. Will the Senator read it?

Mr. WADSWORTH. I have one here, but I would like to study its application. It reads:

That no property shall be taken by eminent domain for the purposes of this corporation.

Mr. UNDERWOOD. I think that would be satisfactory.

Mr. WADSWORTH. That may have to be elaborated a little to be sure that it reaches the result desired.

Mr. UNDERWOOD. We will not find fault with the amendment. Of course, we can not speak for everyone in the Senate, but we will speak for those on our side who are here. We will agree to that amendment if the Senator will consent to a vote to-morrow afternoon at 3 o'clock.

Mr. POINDEXTER. Mr. President, there are a good many features of the bill that have apparently not been discussed. I have not followed the entire debate, but it has been apparently on the basis of the establishment of a nitrate plant at Muscle Shoals as though it were a specific project, and on the basis of an appropriation of some \$12,500,000 for that purpose. As a matter of fact, as I read the bill, it goes very much further than that both in respect to the plant and in respect to the amount of money that is involved.

If a plant of this kind is going to be established, it looks as though it ought to be a specific plant, a specific, well-defined project, an individual undertaking to be authorized by Congress in the bill. But as the bill is drawn there is no limit whatever to the powers of the corporation under the authority of the President of the United States, the expenditure of money, the incurring of obligations, even to the extent of issuing the bonds of the United States.

The bill vests in the President of the United States powers which never before have been vested in any President of the United States in time of peace, if it is passed as it is now worded. It not only authorizes the establishment of a plant at Muscle Shoals but it would authorize the corporation, without any further authority of Congress, to establish plants in any State in the United States and the erection of water-power works on any navigable stream in the United States. In order to pay for them, it authorizes the corporation formed under the bill, whenever they receive the consent of the President, to take and expend whatever balance there may remain of the moneys in the hands of the President that have been appropriated by Congress in the past for the purpose of carrying on the great war in which the country has just been engaged. It revives and gives permanent force to section 12½, for instance, of the national defense act, and in that section alone \$20,000,000 was placed at the disposal of the President of the United States without limitation or any specific manner of expenditure being named by the act. The pending bill provides that whatever remains of that may be taken.

The purposes of the bill are not simply for the development of a water-power project at Muscle Shoals, along any of the

lines that have been discussed here, but would authorize the acquiring of additional property on any of the great rivers and navigable streams of the West. Many water-power projects are now being contemplated by private enterprise, under the terms of the water-power act which has just been passed and which, when developed, would be subject to the control of the Government of the United States under the terms of that act and which apparently it was the policy of Congress should be developed at private expense under private initiative, with that sort of business efficiency which ordinarily characterizes private enterprise, and is justified in a public facility and public use when it is subject to the control and authority of the Government.

I noticed in the papers last evening a statement from the Attorney General of the United States that any of the funds that have been appropriated for the use of the President for carrying on the war that had been allotted to the various bureaus of the Government and have not been expended were still available. The article contained a statement of the Attorney General that there was a large surplus of these funds still unused, and that they might be transferred by the President from the bureaus which now had them to any other purpose or any other bureau, within his discretion. Those funds would be subject to disposition under the bill as it is now drawn without any limit as to the amount, except the limit of the funds themselves. The same thing is true as to the bonds, if there are any of them, and I understand that there are, in the Treasury of the United States that have heretofore been authorized by Congress and that have not been disposed of.

Personally I am not willing to consent to vote at as early an hour as that mentioned by the Senator from Alabama [Mr. UNDERWOOD] upon a bill which proposes to depart so radically from the ordinary policies of the Government as this bill does in the respects to which I have referred.

Mr. UNDERWOOD. Mr. President, I only wish to say that of course every Senator must come to his own conclusion about what the bill means. I have not the slightest idea that the bill means anything like the picture which the Senator from Washington has drawn. I see no such powers in it as he has indicated, but that is a mere matter of opinion. At this time I do not rise for the purpose of debating the bill, but the Senator indicates that he is not willing to give unanimous consent for a vote, and, of course, if that is the case—

Mr. ROBINSON. Mr. President, may I interrupt the Senator merely to suggest that perhaps if more time be given the Senator from Washington would consent? He said he was not in a position to consent to such an early time, and I suggest that the Senator from Alabama modify his request and name 5 o'clock as the hour.

Mr. POINDEXTER. What I meant by that was that I did not intend and it is not my purpose to delay to what I would regard an unreasonable extent the vote on the bill. I mean simply that I am not quite ready to-day to agree upon any time for the vote.

I believe the Senator from North Dakota has really had charge of the bill, but the Senator from Alabama has been quite active in promoting it—

Mr. GRONNA. To be quite accurate, if the Senator will pardon me, the Senator from South Carolina [Mr. SMITH] has charge of the bill.

Mr. POINDEXTER. The Senator from Alabama has been quite active in his advocacy of the bill. He suggests that he is of the opinion that the bill does not contain any such provisions as those to which I have just referred. This state of information of one of the leading advocates of the bill indicates we are not prepared to vote. Unless the bill has been changed, and I am informed that it has not been changed, I wish to call the attention of the Senator from Alabama to the provisions about which there can not be any doubt at all, in my opinion. If Senators will examine them with candid minds they will see that they have the effect to which I have referred.

In subdivision (e), on page 5 of the bill, it is provided that—

By direction of the President, to act as his agent—

That is, the authority is given to the corporation to act as his agent—

in carrying out and performing any or all of the duties imposed upon him by section 124 of the act of June 3, 1916, known as the national defense act.

There can be no question about the meaning of that language. All one has to do is to read the language and then read section 124 of the national defense act to see what the effect of the bill is.

Mr. UNDERWOOD. I do not desire to debate the question with the Senator, but will he allow me to analyze that statement from my viewpoint?

Mr. POINDEXTER. Certainly.

Mr. UNDERWOOD. The national defense act provides for the construction of a dam and the building of a plant to manufacture powder and fertilizer out of nitrogen. The plant is built, the dam has been located, and the only thing remaining that the President could delegate would be, if possible, the power of condemnation, and the Senator has just heard me state to the Senator from New York that there is no opposition to his amendment to eliminate the power of condemnation.

Mr. POINDEXTER. It is quite evident that the Senator from Alabama has not recently examined the national defense act. It contains a great deal more than what the Senator has just stated.

Mr. UNDERWOOD. My construction is that the clause refers only to section 124 of the national defense act.

Mr. POINDEXTER. Let me read to the Senator section 124, as evidently he has not recently read it. It does not simply provide for the location of a plant, as the Senator says. It is not limited to that in any way at all. On the contrary, it authorizes the President to acquire and develop plants, at his discretion, anywhere in the United States, and contains additional authority as to the expenditure of funds granted him by Congress for purposes of war, which are expressly turned over to him by this act for use under the bill which is now being discussed and which the section to which I have just referred authorize the corporation to use as the agent of the President. Section 124, reading only those portions of it which are pertinent to the discussion, provides, among other things, power in the President as follows:

He is—

also hereby authorized and empowered to designate for the exclusive use of the United States, if in his judgment such means is best and cheapest, such site or sites, upon any navigable or nonnavigable river or rivers or upon the public lands, as in his opinion will be necessary for carrying out the purposes of this act.

That is not a specific site. That is as general as language could be. That is not cured by striking out power of eminent domain, because section 124 provides for acquisition by purchase.

Mr. UNDERWOOD. Of course, the Senator is not taking my viewpoint of it. My statement is that we authorized the President to perform an act there, to select sites and spend the \$20,000,000 for a dam or a site. He has made the selection and his power is gone.

Mr. POINDEXTER. Unfortunately for the construction given by the Senator from Alabama, that is not the only language in the national defense act referring to the matter.

Mr. UNDERWOOD. I am referring to that particular part of the language. The President has exhausted his power.

Mr. POINDEXTER. It also authorizes him to construct and develop and conduct the plant, and he is—

further authorized to construct, maintain, and operate, at or on any site or sites—

Quite different from what the Senator from Alabama has said—

so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power, as in his judgment is best and cheapest, necessary or convenient for the generation of electrical or other power and for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. POINDEXTER. Certainly.

Mr. ROBINSON. The President is empowered to construct plants upon a site or sites designated. He is empowered to designate a site or sites. Having by the selection of one site exhausted his power to designate, he would be unable to construct plants anywhere except upon that site designated, as a matter of law.

Mr. POINDEXTER. That construction is not supported by anything in the language of the act, but I will let the Senator's view be judged without comment by comparison with the very plain language of the national defense act.

Mr. UNDERWOOD. More than that—if the Senator will allow me, and I do not care to discuss the question further—if the Senator will refer to subdivision (e), which he is discussing, he will see that that subdivision necessarily only conveys to the corporation the power of the President of the United States in relation to the plant now at Muscle Shoals.

Mr. POINDEXTER. Oh, no.



Mr. UNDERWOOD. Because it reads:

(c) By direction of the President, to act as his agent in carrying out and performing any or all of the duties imposed upon him by section 124 of the act of June 3, 1916, known as the national defense act, including, after its completion, the operation of the hydroelectric power plant now being constructed at Muscle Shoals, and the use and sale of the hydroelectric power to be developed under authority of the act of June 3, 1916, aforesaid.

In other words, referring to what is in existence at Muscle Shoals. There is not any question about that. That is the limitation in the act.

Mr. POINDEXTER. The Senator should have read the whole section. I suppose he has read it heretofore, but I think it is pertinent.

Mr. UNDERWOOD. I have read it.

Mr. POINDEXTER. It proceeds as follows:

And the President is authorized, in his discretion, to delegate to the corporation any and all powers and duties conferred or imposed upon him by said act, which relate—

Not to the Muscle Shoals project but—

which relate to the production, development, or manufacture of atmospheric nitrogen products, or which are incidental thereto—

There is no limit to the authority which is vested in the President by this provision—

and to pay into the treasury—

That part is also pertinent to be considered, as it confers specific authority—

and to pay into the treasury of said company any unexpended balance out of the appropriation made by section 124 of the act of June 3, 1916, such funds to be used by the corporation for the purpose of said act as amended by this act.

The funds referred to in the national defense act are quite extensive. One item is referred to in section 124, as follows:

The sum of \$20,000,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available until expended, to enable the President of the United States to carry out the purposes herein provided for.

And there is this further provision, which is revived by the nitrate bill now under discussion:

In order to raise the money appropriated by this act—

That is, the national defense act—and the authority specified here is expressly revived by the nitrate bill—

and necessary to carry its provisions into effect, the Secretary of the Treasury, upon the request of the President of the United States, may issue and sell, or use for such purpose or construction hereinabove authorized, any of the bonds of the United States now available in the Treasury of the United States under the act of August 5, 1909, the act of February 4, 1910, and the act of March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed \$20,000,000.

There is something still further in section 124 showing the wholly erroneous idea which the Senator from Alabama has expressed as to the contents of the national defense act being limited to a specific site or a certain amount of money.

Mr. SMITH of South Carolina. May I ask the Senator a question as to his construction of the power which he has been discussing?

Mr. POINDEXTER. I should like to refer to another provision for a moment in order that the two may be discussed together. Continuing the reading of section 124 of the national defense act, it provides further:

The President is authorized to lease, purchase, or acquire, by condemnation, gift, grant, or devise, such lands and rights of way as may be necessary for the construction and operation of such plants—

The word "plants" is used—the plural—

and to take from any lands of the United States, or to purchase or acquire by condemnation, materials, minerals, and processes, patented or otherwise, necessary for the construction and operation of such plants and for the manufacture of such products.

The products of such plants shall be used by the President for military and naval purposes to the extent that he may deem necessary, and any surplus which he shall determine is not required shall be sold and disposed of by him under such regulations as he may prescribe.

The President is hereby authorized and empowered to employ such officers, agents, or agencies as may in his discretion be necessary to enable him to carry out the purposes herein specified, and to authorize and require such officers, agents, or agencies to perform any and all of the duties imposed upon him by the provisions hereof.

So I say, Mr. President, if the Senator from South Carolina will pardon me for a moment, that if the bill shall pass, the official machinery which Congress has been contemplating for the purpose of establishing and conducting a nitrate plant is not limited to the specific provisions of the bill now under consideration. There is no limit of power because of the general authority that is vested in the President of the United States to make the corporation his agent because of the express authority of the national defense act which is hereby revived, under which there is vested in the President the power to employ such

agents, officials, and employees as, in his judgment, he may see fit for the purpose of establishing, maintaining, and operating any number of plants anywhere in the United States where he may choose to locate them.

Mr. SMITH of South Carolina. At that point, if I may interrupt the Senator, I should like to ask him a question. All that the Senator has read as being set forth in section 124 of the national defense act was covered by the appropriation of \$20,000,000 to carry out all the purposes which he has enumerated. To accomplish those purposes there was a limit under the appropriation by Congress of \$20,000,000. The committee or the commission, or those to whom the President delegated his powers, selected the site at Muscle Shoals and spent the \$20,000,000. Does the Senator from Washington think that because of the language in the pending bill, referring to section 124, the corporation could go beyond the amount of money which has been appropriated and which has already been spent at this particular site?

Mr. POINDEXTER. I did not catch the question of the Senator.

Mr. SMITH of South Carolina. The question is this: All the purposes set forth by the Senator in what he has read were predicated upon the appropriation of, or made possible by the use of, \$20,000,000. The \$20,000,000 has been appropriated and has been spent at this particular site. Therefore the power vested in the President has been exhausted by virtue of the use of the appropriation, and he can do none of these things referred to by the Senator unless an additional appropriation shall be made. In addition to that, the President has exhausted, as has been suggested to me, his power under the authorization in the national defense act to designate a site or sites by reason of having selected a site.

Mr. POINDEXTER. Then let us strike out the provision. If it does not mean anything, we can dispose of the whole question by striking it out. If the President has exhausted his powers under it, there is no use of reviving them here; and why not let the provision be eliminated from the bill?

Mr. SMITH of South Carolina. The only objection is that there is a corollary which the Senator is getting confused with the mere power to designate sites. I claim that the President has exhausted his power to designate any further sites—

Mr. POINDEXTER. How about the power to maintain and operate sites? The other day we had here an experience—

Mr. SMITH of South Carolina. Let me ask the Senator a question.

Mr. POINDEXTER. I will yield in a moment. The question arose as to what extent the Government should be obligated by administrative officers incurring debts under an authorization for which no appropriation had been made, a certain enlisted strength for the Army having been authorized, but no appropriation having been made for it. It was construed by the Secretary of War, who will probably construe the bill now under consideration, if it shall become a law, to mean that he was directed to recruit the Army to that strength, notwithstanding there had been no appropriation for it. So certainly it will be construed by him that when he was authorized to establish plants and to purchase and acquire land that he did not have to wait for an appropriation to be made but could proceed under the act, and Congress undoubtedly, as has been its invariable practice, would appropriate the money to redeem the obligations which had been incurred by its executive officials under express legislative authority granted to them.

Mr. SMITH of South Carolina. Mr. President, so far as I am individually concerned, I think the power of the President under section 124, so far as selecting a site is concerned, has been exhausted because of the selection of one particular site; but there does grow out of the authority vested in him by section 124 the power to determine what use he shall make of the proceeds of the plant; and, of course, the revival of the provision—not its revival exactly, but its continuance, for it is a law that is in effect until the purpose shall have been accomplished—

Mr. POINDEXTER. No—

Mr. SMITH of South Carolina. If the plant is completed at Muscle Shoals, section 124 is still operative as to what the President shall do with the product of that plant.

Mr. POINDEXTER. Section 124, Mr. President, is not the only section of the national defense act that is applicable to this bill.

Mr. SMITH of South Carolina. That is the only section to which this bill refers at all.

Mr. POINDEXTER. Well, let us read the language of it now and see if the Senator does not agree with me that it goes further than that. It says, at the bottom of page 5:

including, after its completion, the operation of the hydroelectric power plant now being constructed at Muscle Shoals, and the use and sale of the hydroelectric power to be developed under authority of the act of June 3, 1916, aforesaid—

I leave that to the fairness of the Senator from South Carolina himself to determine whether it is confined to Muscle Shoals—

the operation of the hydroelectric power plant now being constructed at Muscle Shoals, and the use and sale of the hydroelectric power to be developed under authority of the act of June 3, 1916, aforesaid—

That does not say merely section 124 of the act of June 3, 1916; the whole act is referred to—

and the President is authorized, in his discretion, to delegate to the corporation any and all powers and duties conferred or imposed upon him by said act—

Not by section 124 of said act—

which relate to the production, development, or manufacture of atmospheric nitrogen products.

Mr. SMITH of South Carolina. Section 124 is the only portion of the national defense act which refers to atmospheric nitrogen.

Mr. POINDEXTER. I fear the Senator has not recently examined that act, for section 120 of the national defense act contains a great deal of language which relates to the production of nitrogen or any other elements of ammunition, and certainly the products at the plants authorized by this bill come under the head of ammunition or material for ammunition. This is the language of section 120:

And any individual, firm, association, company, corporation, or organized manufacturing industry or the responsible head or heads thereof owning or operating any plant equipped for the manufacture of arms or ammunition, or parts of ammunition.

Perhaps I had better read the beginning of the section—

The President \* \* \* is empowered, through the head of any department of the Government, in addition to the present authorized methods of purchase or procurement—

Mr. SMITH of South Carolina. Did not the Senator leave out some words there that are very pertinent? It reads:

The President, in time of war or when war is imminent, is empowered—

And so forth.

Mr. POINDEXTER. Yes; I left out a great deal which is not necessary to establish the point I am making.

Mr. SMITH of South Carolina. Is not that provision as to when war is imminent a vital qualification?

Mr. POINDEXTER. It is in the discretion of the President to determine when war is imminent. Who knows whether war is imminent or not? Who is to determine whether it is or not?

Mr. SMITH of South Carolina. Does the Senator think that the President would, in order to carry his point, say that war is imminent now?

Mr. POINDEXTER. I do not know whether he would or not. I thought that war was imminent for some time prior to the date of our entry into the German war, when the President apparently did not think it was; and I think that the Senator from South Carolina, judging from his remarks the other day, was of the opinion that war might be imminent now.

Mr. SMITH of South Carolina. War may be imminent, but it is a question of our knowledge of it. There is a difference between war and the imminence of war.

Mr. STANLEY. Mr. President—

Mr. POINDEXTER. Let me read this, and then I will yield to the Senator from Kentucky. I was only reading the beginning of the section in order to get the construction of the sentence that followed.

As to the power that is vested in the President, he is empowered—

through the head of any department of the Government, in addition to the present authorized methods of purchase or procurement, to place an order with any individual, firm, association, company, corporation, or organized manufacturing industry for such product or material as may be required, and which is of the nature and kind usually produced or capable of being produced by such individual, firm, company, association, corporation, or organized manufacturing industry. Compliance with all such orders for products or material shall be obligatory—

And so forth. This language confers the power upon the President, as at present when we are in a legal status of war, or at any time when in his judgment war is imminent, to impress into the service of the Government—

any individual, firm, association, company, corporation, or organized manufacturing industry or the responsible head or heads thereof—

And these orders—

shall take precedence over all other orders and contracts theretofore placed with such individual, firm, company, association, corporation, or organized manufacturing industry, and any individual, firm, associa-

tion, company, corporation, or organized manufacturing industry or the responsible head or heads thereof owning or operating any plant equipped for the manufacture of arms or ammunition, or parts of ammunition, or any necessary supplies or equipment for the Army, and any individual, firm, association, company, corporation, or organized manufacturing industry or the responsible head or heads thereof owning or operating any manufacturing plant which, in the opinion of the Secretary of War, shall be capable of being readily transformed into a plant for the manufacture of arms or ammunition, or parts thereof, or other necessary supplies or equipment, who shall refuse to give to the United States such preference in the matter of the execution of orders, or who shall refuse to manufacture the kind, quantity, or quality of arms or ammunition, or the parts thereof, or any necessary supplies or equipment, as ordered by the Secretary of War, or who shall refuse to furnish such arms, ammunition, or parts of ammunition, or other supplies or equipment, at a reasonable price as determined by the Secretary of War, then, and in either such case, the President, through the head of any department of the Government, in addition to the present authorized methods of purchase or procurement herein provided for, is hereby authorized to take immediate possession of any such plant or plants, and through the Ordnance Department of the United States Army, to manufacture therein in time of war, or when war shall be imminent, such product or material as may be required.

Mr. STANLEY. Mr. President, the Senator from Washington admits that the imminence of war is a condition precedent to the exercise of the powers named in article 124, does he not?

Mr. POINDEXTER. Not at all.

Mr. STANLEY. Does not the act so state?

Mr. POINDEXTER. Not at all; it does not. Section 120, which I have just read, so states; not section 124.

Mr. STANLEY. Well, section 120. Now, does the Senator believe that the President of the United States will invoke the powers of that section, predicated upon the imminence of war, to operate a plant for making fertilizer?

Mr. POINDEXTER. He would not be able to invoke the powers under section 120, whether war was imminent or not imminent, or regardless of any limitations, for the purpose of making fertilizer, because that section relates only to the making of ammunition, and that is what I am talking about. But what I want to point out is this: I would undertake to demonstrate the proposition before a tribunal that had no legislative or other interest in the question, and regarded it merely as an abstract legal proposition, that by the revival of section 120 of the national defense act, which would be done under the nitrate bill now under discussion, Congress would have delegated the power of putting the Nation into a state of war, and would have given to the executive head of the Government the authority in his discretion to exercise war powers in the seizure of private plants which he, in his judgment, might deem to be useful for the purpose of procuring ammunition, if they did not comply with such orders as to price or as to manufacture and other conditions as he chose to impose upon them.

If Congress is ready so to depart from the fundamental principles of the American Government, which heretofore have kept the issues of peace and war in the control of the representatives of the people as constituted in the Legislature of the Nation, of course it may do so. I do not regard it as unconstitutional, but it is a departure from anything that has ever been undertaken before. My purpose is simply to call attention to it, and I am surprised that there is any difference of opinion about the effect of the bill in that regard. It may be due to the manner in which the bill originated. I was very much surprised to hear in the debate that the Senator who introduced this bill really did so on request. It was not prepared in Congress, and it is perfectly evident from the debate that its effect and even its specific provisions have not been carefully examined by those who are chiefly advocating its passage.

Something was said a moment ago by the Senator from Arkansas [Mr. ROBINSON] and the Senator from Alabama [Mr. UNDERWOOD] about section 124 having become functus officio; that the President had exhausted his powers under that section; that he had exhausted the appropriation under it; that that appropriation was limited to \$20,000,000; and that nothing more could be done. As a matter of fact, the appropriation was not limited to \$20,000,000 under section 124. There was not only an appropriation of \$20,000,000 in section 124 but there was the authorization for the sale, in addition to that, of \$20,000,000 of Panama Canal bonds, to be used for the purpose of developing nitrate plants, and the section of the bill to which I have referred revives that authorization. It not only authorizes the President to do it but it vests this corporation with the function of becoming the agent of the President in the expenditure of this money.

Mr. KELLOGG. Mr. President, if the Senator will yield, I should like to ask, if the power was exhausted in spending the \$20,000,000, how did they happen to spend over \$100,000,000 in the construction of this plant?



Mr. POINDEXTER. Yes; that is a very pertinent question. Furthermore, he is not limited to the expenditure of \$20,000,000, or even of \$40,000,000, by section 124 of the national defense act. He is not limited at all. He could have expended a billion dollars, and the people with whom he contracted for the delivery of material or for construction under the authority of that act would have had at least an equitable claim against the Government of the United States for reimbursement, because he was authorized without any specific limitation being placed upon the extent to which he could incur governmental obligations. You can not say, when he is given an unlimited blanket authority of this kind, that because in another part of the section only \$20,000,000 is appropriated for the purpose, that limits the extent of his power. We know from constant experience that it does not.

My purpose in rising, however, was simply to say that on account of these matters, about which there is evidently a difference of opinion, it is necessary for me, at least to-day, to object to fixing a specific date to vote on the bill.

Mr. STANLEY. Mr. President, I call the attention of the Senator to the fact, in connection with the appropriation of money provided for in section 128, that there is this language in the last two lines of the paragraph, lines 10 and 11, on page 6:

Such funds to be used by the corporation for the purpose of said act as amended by this act.

Those words apply to the use of any moneys authorized under the national defense act. You are abundantly safeguarded by that language from any abuse of the broad powers contained in the national defense act.

Mr. POINDEXTER. Mr. President, I only want to say, in reply to the Senator from Kentucky and his claim that the expenditure of the funds under section 124 is limited by the language of subdivision (e) to which he has referred, that that limitation does not apply to the vast authority vested in the President under section 120 of the national defense act which I have read; furthermore, that the powers vested in this corporation under the bill which we are now discussing are enormous and extensive, and that even if the Senator's viewpoint were correct it is still true that the moneys appropriated in section 124 would still be available, any of them that are left, and including the proceeds of the bonds that are referred to there, for such purposes as are specified in this act.

The VICE PRESIDENT. The bill is still before the Senate as in Committee of the Whole, and open to amendment.

Mr. WADSWORTH. Does the Senator from Alabama care to continue further this evening?

Mr. UNDERWOOD. I think if we can not reach an agreement about disposing of the amendments and coming to a vote, we ought to go on and vote on as many of them as possible to-day.

Mr. POINDEXTER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Capper	Jones, N. Mex.	Page	Smoot
Curtis	Jones, Wash.	Phipps	Stanley
Dial	Kellogg	Poinexter	Sutherland
Glass	La Follette	Ransdell	Swanson
Gronna	McNary	Robinson	Trammell
Hale	McNary	Sheppard	Underwood
Harris	Myers	Simmons	Wadsworth
Harrison	New	Smith, Md.	Welcott
Heflin	Overman	Smith, S. C.	

The VICE PRESIDENT. Thirty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of the absent Senators.

The reading clerk called the names of the absent Senators, and Mr. McKellar, Mr. Nugent, Mr. Sterling, and Mr. Williams answered to their names when called.

Mr. GERRY, Mr. FERNALD, Mr. JOHNSON of California, Mr. KEYES, Mr. WALSH of Massachusetts, Mr. CALDER, Mr. SPENCER, and Mr. DILLINGHAM entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-seven Senators have answered to the roll call. There is not a quorum present.

Mr. FLETCHER and Mr. WALSH of Montana entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

#### RECESS.

Mr. GRONNA. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until to-morrow, Friday, January 14, 1921, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

THURSDAY, January 13, 1921.

The House met at 12 o'clock noon.

Rev. Preston A. Cave, pastor H Street Christian Church, Washington, D. C., offered the following prayer:

Our Father who art in heaven, we hallow Thy name in our hearts. We pause here in the middle of the day for a moment to think of Thee and to acknowledge our dependence upon Thee, for we need Thee at every turn of the way. We need Thee for the discharge of every holy purpose of our lives. We need Thee in the time of our strength, lest we forget the source of our strength. We need Thee in the time of our weakness, lest we forget the source of our health and healing. And we thank Thee that Thou art the Lord of all times; that Thou art ever present round about us; that Thou hast promised to be with us all the day. Grant that we may be conscious of Thy imminence all the while.

We thank Thee for the preservation of our lives throughout the night that has gone, for the light of this new day, bringing its responsibilities and privileges. Grant us the wisdom and strength that we need to-day for the discharge of the duties devolving upon us, and may we so perform those duties that when the evening shadows shall have fallen and we return again to our homes we may lie down in the consciousness that we have well performed the duties of the day.

May Thy blessing be upon the families of all the Representatives in this House. Keep them in health and strength.

Bless our country, we pray Thee. Grant to guide us through these days of reconstruction, and out of all may there come glory to Thee, blessing to the people, success to our Nation, and peace for all the world. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### LEAVE TO EXTEND REMARKS.

Mr. FESS. I ask unanimous consent to extend my remarks in the RECORD by printing some observations upon the industrial outlook.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD. Is there objection? There was no objection.

Mr. PARRISH. I ask unanimous consent to extend my remarks, to include a statement of the expense of the upkeep of rural carriers' advances during one year—a very short matter.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection? There was no objection.

#### CHANGE OF REFERENCE.

The SPEAKER. The Chair referred H. R. 15665, relative to the fisheries of Alaska, introduced by the gentleman from Maine [Mr. WHITE], to the Committee on the Territories. The Chair thinks that was a mistake and that the bill should have been referred to the Committee on the Merchant Marine and Fisheries, and with the consent of the House will rerefer the bill to the Committee on the Merchant Marine and Fisheries. Is there objection?

There was no objection.

#### LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

Mr. WOOD of Indiana. I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the legislative appropriation bill, H. R. 15543.

The SPEAKER. The gentleman from Indiana moves that the House resolve itself into the Committee of the Whole House on the state of the Union for further consideration of the legislative, executive, and judicial appropriation bill.

The question being taken, the Speaker announced that the ayes appeared to have it.

Mr. SHERWOOD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Ohio makes the point of order that there is no quorum present. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 296, not voting 134, as follows:

#### YEAS—296.

Ackerman	Ashbrook	Barkley	Bland, Va.
Almon	Aswell	Bee	Blanton
Anderson	Ayres	Begg	Boles
Andrews, Md.	Bacharach	Benham	Bowers
Andrews, Nebr.	Bankhead	Benson	Bowling
Anthony	Barbour	Black	Box